

Title

**The Integration Of Human Resource Management Issues In Strategic Planning; An
Exploratory Study Of The South African National Roads Agency Limited.**

By

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1. Personal Statement

Declaration

I, Mogamberry Govender, do hereby declare that this report is of my own doing, except as indicated in the texts, references and acknowledgements.

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed.....

Date:..... 01 MARCH 2005

2. Acknowledgements

I would like to thank the following people for their valuable contributions:

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5. My father and mother, who by allowing me the many opportunities and by exposing me to a good education, set the standards for me to improve my life's lot.

096088

3. Dedication

My father, Kay, and mother, Maggie, Yavishka, Nivashin and immediate family,
Ms Jenny Deepnarain Parbhoo.

My late Uncle Gansen Pather and his family, whose determination till the end of
his days would serve to inspire me always.

4. Abstract

Human Resources (HR) is always touted as being an important element in any organisation, yet this contribution is frequently taken for granted. The HR Executive and Division are expected to react to the instructions of senior management, regarding plans for the organisation, by providing the human resources to achieve these strategies. History and literature are proving that this type of relationship is not conducive to the attainment of goals and objectives. HR input must form a part of the strategic planning process and HR Management must be seen as strategic partner rather than its current supportive subservient role.

In SANRAL much emphasis is placed on its human resources and how it intends achieving its goals through these resources. This study aimed to test whether these goals are achievable through the systems and processes in place. HR Management is responsible ultimately for these systems and processes. The relationship that exists between HR management and the organisation's strategic management team will determine whether these objectives are attainable or not.

The role that HR Management plays in the organisation was reviewed. Literature consulted proposed that when HR management took on a strategic role at the formulation stage of strategies, then these organisations were far successful at achieving their goals than organisations that didn't. This only happened when HR management was at a fully integrated level with the strategic management process.

The SANRAL organisation was evaluated next, using questionnaires, interviews and a case study approach to collect the data to build a refectory of information. This was done to identify and to determine the role that HR Management played in this organisation.

The third step involved analysing this data collected and considering it against the literature reviewed to determine the type of relationship that existed. Evidence pointed to a one-way level relationship between the HR Management and strategic management. The conclusion reached indicated that the role of HR and the processes in place currently was not conducive to successful execution of the organisation's strategies. As a result the organisation's ability to achieve its goals successfully will be affected negatively.

Finally, key areas within the organisation were identified that hampered the progress of SANRAL's HR Management to a strategic role, and recommendations were made to address these areas. This would ensure that the organisation would be much more successful in achieving its objectives had it not adopted this role

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“By mobilising the human resource in pursuit of strategic goals, human resources management contributes directly to business success.”

Shaun Tyson (1995)

Chapter One – Introduction to the Research Problem

1.1 Introduction

"Its not because we are wealthy that we have good roads, its because we have good roads that we are wealthy" Anonymous author, commenting on the state of the primary national road network in America.

The importance of linking people and places with formal pathways was realised as far back as 4000BC at Ur, in modern day Iraq, where stone paved streets were unearthed during recent archaeological digs.

The ancient Romans realised that the strength of their Empire lay in their ability to transport their legionnaires safely and swiftly. More importantly, the ability to transport all the spoils of their conquests and the taxes of occupied territories back to Rome. Hence the much used adage "All roads lead to Rome", was by no means the lament of a homesick bard away from his beloved Rome, but rather of wise senators that realised the benefits of a well planned and maintained system of roads.

Well-maintained roads are the backbone of a country's main infrastructure and provide the basic means for economic development of that country. A developed network of primary roads ensures that the movement of people, goods and services is carried out in the most practical and efficient means; and as economically cost effective as possible.

Ensuring this is the responsibility of the Government. Some Governments prefer undertaking this task themselves. They form Ministries or Departments that specifically address all road, bridge and related infrastructure construction and maintenance. Other Governments prefer to privatise, outsource or enter into public - private partnerships to ensure that the best choices are exercised.

Many Governments deliberately choose to privatise their key departments since it may prove more cost effective to not only the Government but to the long term

development of that countries economy. The principle of practising cost effectiveness policies with respect to having highly organised and efficient state created private companies is becoming more apparent as more and more Governments of countries around the world are producing highly efficient state turned private companies.

Now, with a lean and more professional structure, these companies embrace private companies' management styles to deliver on objectives on behalf of the Government. These "public turned private" or "semi-private" companies face challenges from the outset. These challenges range from the ability to change public and private perceptions about the "Department turned company", managing and instilling a new work culture and ethic amongst staff through to the ability of achieving the objectives and goals of the Government via this newly formed company, more cost effectively and more efficiently than previously.

1.2 Background of the Research

1.2.1 The South African National Roads Agency Limited.¹²

The South African National Roads Agency ("SANRAL") was established by an Act of Parliament in April 1998. In line with Governments commitment to transform the Public Sector, SANRAL was to operate as an independent statutory Company at arms length from the Government. The purpose of the company is to maintain, develop and manage South Africa's National Road network and assets.

SANRAL has been further mandated by an Act of Parliament to manage an additional 14 400km of roads that is currently the responsibility of the Provincial Governments of South Africa. This increase in responsibility and together with the other goals of SANRAL, has led to the publishing of SANRAL's strategies in a document titled "Horizon Twenty Ten."¹²

In this document, the strategies are broken down into two short-term strategies spanning a period of five years each. A five-year strategy has been published and the key objectives for this period are detailed therein. This document, called

the Declaration of Intent document 2000 to 2005 sets certain milestones and expectations.

It is expected that through the organisational resources at hand, SANRAL will be able to achieve its goals. A key resource to achieving this, and be called upon frequently is the human resource component of the organisation. Such are the weights placed on the human element of SANRAL that it is mentioned, as a part of its mission statement, that it intends achieving its vision and key objectives through this "highly motivated and professional team".

Thus the focus of the study will be on this essential resource of SANRAL. The human resource element drives SANRAL; it is necessary to understand how this relationship is considered in the overall strategies of the organisation. The relationship between the human resources management and the strategy of the organisation must be evaluated to ensure that there is strategic fit. The alignment of both these factors are critical in determining the success, as well as the future, of SANRAL.

Only through the effective management of the human resources component can new roads be designed and constructed, and existing roads are maintained to the levels that can allow SANRAL to declare that "It's vision of providing world class standard type of roads" is attainable.

The Executive Management's dilemma is about the long and short-term effects of these strategies on the resources of the organisation- the human factor: What are the measures that need to be taken, in respect of the human resources development, to ensure that they do? How will these measures translate in helping SANRAL achieve its goals? Ultimately a strategy to meet those goals set out by SANRAL must be derived; more specifically a human resource (HR) strategy is required.

However, HR strategies can only be derived if they support the organisational strategy and are considered from the formation of these strategies. Therefore, how integrated is the HR Function with the strategic formulation processes? What

is the nature of the relationship that exists currently and how can it serve to support the achievement of the goals and objectives of the organisation are areas of concern and required to be analysed.

1.3 Motivation for the research

The motivation to undertake a research to determine the role of human resources and subsequent level of integration in the strategies of SANRAL was influenced by two key documents produced by SANRAL- "The Horizon 2010 and the Declaration of Intent Document."

The intention, initially, of this study was to evaluate the effect of the added responsibilities on the human resources of the organisation. During the investigation, it became apparent that the critical areas of human resource strategic management, and its role in ensuring that the objectives of the above two documents are achieved, were largely underestimated since it was expected that the organisation "change" or "adapt " to suit the requirements of the strategy. Literature consulted differs from this stance.

It is perceived that there exists a "gap" between the strategies of the organisation with the planning of the human resources around those strategies. The focus of SANRAL lies in the achievement of those objectives mentioned, yet many employees are not aware of what is expected of them to achieve these objectives nor what roles they should play.

Human resources strategy will also address certain other issues that will influence the behaviour of human resources in an organisation. These issues such as motivation, staff retention, etc. are also important aspects that require constant evaluation. A recent survey conducted by Deloitte and Touché highlighted the fact that the employee satisfaction in SANRAL was an issue of concern. SANRAL was ranked in amongst the lower quartile of the survey of 108 companies. This study will also seek to address the reasons behind some of the results achieved in the survey.

To conclude, the ability of an organisation, according to Stella Nkomo (1986), to effectively integrate its strategic planning with the human resources of the company will, to a great extent, determine the success of these strategies.

1.4 Value of the Project

This study will help SANRAL by:

- a) Identifying whether a strategic role for HR Management is required.
- b) Identifying the nature of the relationship that exists between HR Division and the organisation.
- c) Providing Senior Management with an enhanced perspective of the human resource component of the organisation, to assist in their strategic planning and decision-making, such as the development of human resource strategies.
- d) Identifying how growing and developing human capability through structured plans:
 - Increases the nett worth of the staff
 - Increases efficiency and effectiveness
- e) Allowing for the conclusions and recommendations to be inferred onto other regions.

1.5 Problem Statement

Will the integration of Human Resources Management with Strategic Planning contribute to the South African National Roads Agency Limited's successful accomplishment of its key objectives?

1.6 Objectives of the Study

- a) To assesses the style of human resources management within the organisation.
- b) To determine the level of strategic integration of human resources with corporate strategy.

- c) To produce pro-active solutions to increase this level of integration.

1.7 The Research Philosophy

Research follows either a Qualitative or Quantitative approach. However, in certain instances, it may be necessary to combine these two approaches to achieve a more accurate result of the research conducted.

Understanding the perceptions of others on various issues in order to attain a clearer and bigger picture is one of the main objectives of Qualitative Research. This is according to Sanders, Lewis and Thornhill (1997).

A Quantitative study revolves around the collection of data, which can be analysed statistically to quantify the results of the study, and can be applied more widely. However, taking into consideration the strengths and weaknesses of both approaches it is possible, to include certain findings based on Quantitative analysis of the data, in a Qualitative research study.

The Research Philosophy adopted for this study is a combination of both Qualitative and Quantitative approaches. This combined research approach allows for the increase in reliability and validity of the study. An in-dept discussion on both these approaches is featured in Chapter Three.

1.7.1 The Research Strategy

Case Studies are one of the strategies used in Qualitative research and Surveys are one of the strategies used in Quantitative research. For this study, a combined research strategy involving both Case Study and Survey has been adopted.

1.7.2 The Research Design

An Exploratory Research Design has been chosen using a combined Case Study and Survey strategy. This design has been chosen since the “problem” is un-

structured and not clearly understood and only through examining related literature and theories can we propose any possibilities.

1.8 Limitations of the Research

The research project has encountered the following limitations:

- The study is based upon the perceptions of the staff based at the Eastern Regional offices of the South African National Roads' Agency Limited, and thus, although representative of the organisation at large, could be influenced by the work culture, values and ethic's experienced at this office.
- The study takes cognisance of the fact that there has been a change on management of the Human Resources Division, and the impact of the new Human Resources Executive on the organisation has been discounted.
- One of the attributes of a Qualitative study is the lack of objectivity on the part of the researcher. Recommendations and conclusions drawn will be biased to a degree; as a result of the influence of factors such as the working culture, the researchers own personal experiences, experiences of colleagues, etc.

1.9 Definitions

- **SANRAL**
The South African National Roads Agency Limited
- **Strategic Management**
The managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, then over time initiating whatever corrective adjustments in the vision, objectives, strategy and execution are deemed necessary.
- **Strategic Human Resources Management**
When an organisation accepts that the input of the Human Resources Management strategically influences the organisational strategies of the organisation, then these various systems, policies and practises is called Strategic Human Resources Management

- **Human Resources Management (HR Management)**
Refers to the systems, the policies, practises and processes that take place in the management of the employees.
- **Human Resources Division (HR Division)**
Refers to the section of the organisation that is responsible for carrying all the duties, and functions relating to the management of the employee.
- **Human Resources-** refers to the employees that make up an organisation.
- **Black-**refers to the all the citizens, excluding Whites, of South Africa, after the 1994 Democratic election and who were previously disadvantaged by the apartheid laws
- **White** refers to the all the citizens, excluding Blacks, of South Africa, after the 1994 Democratic election and who were previously advantaged by the apartheid laws
- **New Government-**refers to the Government of South Africa after the first democratic election of 1994
- **Old Government-** refers to the apartheid Government of South Africa prior to the first democratic election of 1994
- **Human Resources Executive-** refers to the head of the Human Resources Division.
- **Senior Management-** refers to the most senior personnel of an organisation up to and including the Chief Executive Officer.
- **Strategy-** refers to a plan or course of action to reach a specific target, objective or goal.

1.10 Outline of the Research Report

Chapter One outlines the introduction to the research problem and gives a very brief summary of the issues leading to the problem and background information on the organisation to be researched. An introduction to the research methodology that was employed to undertake the investigation is also presented.

In Chapter Two, a literature review on the research problem is conducted. The Research Methodology, introduced briefly in Chapter One, is presented in greater detail in Chapter Three.

A background investigation into the organisation is presented in Chapter Four, focusing as far as possible on aspects relevant to the study. Chapter Five provides the framework for the analysis of the results and findings from the questionnaire, interviews and case study.

Finally Chapter Six recommends solutions, strategies or highlights areas that can be considered to remedy the identified problem.

1.11 Summary of the Chapter

The research problem was identified and discussed briefly in this Chapter. The aim and objective of the investigation was brought to the attention of the reader. Issues such as limitations, scope, and definitions were highlighted to present the conditions under which this investigation was carried.

The merits of this study as discussed under Section 1.4 will bring to the attention of senior management the value of integrating the human resources management with strategic planning.

In order to do, it is essential that a review of specific literature regarding the research subject matter be undertaken in order to provide the necessary theory to better understand, substantiate and corroborate the findings of the study. The next Chapter Two, is a review of the literature undertaken in this study.

Chapter Two - Literature Review

2.1 Introduction

This chapter aims to provide a theoretical understanding of the literature that has to be considered in attempting to analyse the research question. The focus of the study is the relationship between the firm's strategic management and the Human Resources management of the organisation. Literatures on these particular aspects are provided.

Research data shows that organisations, from public to private, will expend a considerable amount of its financial resources over its lifecycle to obtain suitable Human Resources (HR). Further evidence also shows that organisations are failing to make effective use of the people they employ.

Labour is one of the most important resources of an organisation (Swanepoel et al, 1999). It is a resource that is easily one of the most difficult elements to manage, as it is made up of a myriad of personalities that are unique and unpredictable. Apart from managing these personalities, the focus and the attention of one or a thousand employees needs to be 'tuned' to become receptive to heed the call of the head of the organisation.

Tyson (1995) believes that in order to determine the way that the Human Resources can be used in a strategic manner, it is necessary to examine how the firms corporate strategy and human resource strategies "fit together and influence each other." Extensive changes to our social and occupational worlds have provided a strategic role for Human Resource Management.

New organisation structures require new ways of managing: from bureaucratic and functional controls to flat structures and business processes, from hierarchies to networks.

“Human Resources Development practitioners are rarely included in top-level discussions about business plans.” [Rothwell (1985b); Rothwell and Kazanas, (1986)]. Whilst this area is considered as key to providing the support for business plans (Zemke, 1981) it is one area of Human Resources planning that is used the least by top managers.

As a result Human Resources Executives are left from key strategic making decisions and left to set their own directions. “Managers must use their human and other resources as effectively and efficiently as possible, to ensure that the organisation achieves its goals.” Swanepoel et al. (1999, p2). Tyson (1997) poses the question of how to relate corporate objectives with the employees understanding of these objectives, which inevitably, raises issues such as employee commitment and helping cope with change.

In the following chapter, understanding the relationship of Strategic HRM management and organisation’s strategy is discussed. The intention is to show how through the effective integration of the Human Resources management with strategic planning, the organisation’s corporate strategy can be aligned with human resource strategies to achieve its goals and objectives.

2.2 Strategic Management

Strategic Management can be defined as “the managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, then over time initiating whatever corrective adjustments in the vision, objectives, strategy and execution are deemed necessary.” Thompson and Strickland, (2003,p.6)

Noe et al (2000, p.42) defines Strategic Management as “managing the pattern or plan that integrates an organisation’s major goals, policies, and action sequences into a cohesive whole.”

It is interesting to note the rationale given by Rowe et al (1994,p2) in their definition of strategic management, which is “the process by which organisations

determine what value is needed and how to add to that value. It is a means for ensuring that organisations can cope effectively the myriad of demands placed on them from within and without.”

According to Rowe et al (1994) this view of the strategic management process was taken after trying to answer the question as to why some companies are successful while others struggle just to stay afloat.

After considering factors such as better products, marketing, management, effective leadership, productive organisation with a supportive culture, etc. they concluded that all of these factors focused on one basic requirement, “in order to succeed, a company must offer value to its customers. That is it must provide total value.”

Nevertheless, the lessons learnt from the definition of Rowe, Noe and Thompson et al, is that strategic management is about processes, processes that complements the organisations abilities and capabilities to achieve its end result. If, as pointed out by these authors, the end result or goal is for example, value, then strategic management ensures that this goal is fulfilled.

Dess et al (2003,p3) defines strategic management as “consisting of the analysis, decisions, and actions an organisation undertakes in order to create and sustain competitive advantages.” Concepts discussed in their definition revolves around “decision making” and “organisation undertaking”, whilst the end result is totally different-seeking competitive advantage- from that of the other authors mentioned above.

An important point to note here, is that whatever the result required of the organisation, strategic management is a managerial process that is considered as the first most important step an organisation should undertake in establishing, redefining or repositioning its business.

It is possible, from the above definitions of strategic management to identify two separate but interdependent phases that made up this process: Strategic Formulation and Strategic implementation.

2.2.1 Strategic Formulation

Strategic Formulation - the definition by Noe et al (2000) sees this process where the strategic planning groups decide on a strategic direction, by defining the company's mission and goals, its external opportunities and threats and its internal strengths and weaknesses. Strategic alternatives are generated and compared with their ability to achieve the organisation's mission and goals.

2.2.2 Strategic Implementation

Strategic Implementation - the definition by Noe et al (2000) views this process as a follow through on the strategy chosen from the above. Here the structuring of the organisation, allocation of the resources, ensuring that the firm has skilled employees in place and developing reward systems aligning employee behaviour with the organisation's strategic goals is undertaken.

Thompson and Strickland (2003,p.6) sees the above two processes, as five interrelated managerial tasks, which are identified as follows:

- a) Developing a strategic vision and business mission.
- b) Setting objectives
- c) Crafting a strategy to achieve the objectives
- d) Implementing and executing the strategy
- e) Evaluating performance, monitoring new development and initiating corrective adjustments.

Rowe et al (1994) points out that the key objective of strategic management is to match the organisations internal capability with the external opportunities and threats in order to formulate strategies that will achieve basic goals and maintain organisational values.

2.2.3 The Strategic Four Factor Model

Rowe et al (1994,p.31) introduces the “Strategic Four Factor Model” as a systems framework for strategic management.

According to this model, there are four factors that make up strategic management. This model illustrates how the organisation’s strategy must “balance the demands imposed by external forces and internal forces, suit the overall functioning of the organisation, and use resources in a manner that meets goals and satisfies values.’ Also of importance, this model shows the interdependencies or linkages among the four main components with strategic management.

These are shown by means of the arrows that link strategic management with all four factors. The “hub” , Strategic Management, is at the centre the model, and its function “is to align the internal operations of the organisation, including the allocation of human, physical and financial resources, to achieve optimal interactions with the external environment.”

The main reason as to why this model was chosen was to introduce, at this stage, the concepts of interdependencies. The introduction of a model that shows how various key aspects of the strategic management are related is an important focus of this study.

This model also illustrates the positioning of certain functioning’s of the organisation and seeks to explain its relevance there. The illustrated model is shown below as Figure 2.1.



Figure 2.1: The Strategic Four-Factor Model

A brief outline of the four factors with reference to the above is explained. The relevance of the hub, the strategic management, has been dealt with earlier.

- a) Strategic planning- links strategic management with the organisations external environment.
- b) Organisational structure: links strategic management to organisational realities. “Does the organisational structure suit the implementation of the strategy?”
- c) Resource requirements: links the organisations resources (human, financial, etc) with strategic management. Here strategic planners determine resources requirements and their means of acquisition and allocation. The questions asked is “can the strategy succeed given the organisations available resources?” Here also strategic planners would ask questions pertaining to the culture of the organisation, decision-makings styles of its managers, and more importantly, “style of the leadership, operational values and the vision of the top executives.”

- d) Strategic Control: links strategic management to the organisations internal environment, since it involves evaluating how well the organisation is implementing the strategy.

The research focuses on how the contribution of one aspect of the “resource requirement component” is influential on the success of the entire strategic management process. However, the model portrayed provides a too general picture of the contribution made by these components, and lacks the ability to effectively show the relationship that exists between them. It, therefore, cannot be used to assist in clarifying this contribution. But it does assist in bringing an important part of the study to the fore.

Firstly it conveys the importance of human resources management matters in the strategic management process. This is evident in all three components of this model. From the influence of the external environment on, the capability of, the suitability to, and the evaluation of, its human resources, the strategic management process appears to revolve around this major contributor.

Secondly, it highlights just how important the strategic formulation phase is to the entire strategic management process. From the literature consulted, strategic planners are highly reliant on a resource that is considered by many, as being highly “unpredictable.” It therefore goes to reason that the ability of the strategic planners to get this “contributor” right will to a large extent determinant the success of the entire strategic management process.

2.3 Strategic Formulation

The evidence presented has assisted in positioning the role of strategic formulation in the strategic management process. It has recognised the importance of and briefly outlined the different components that make up strategic formulation.

Noe et al (2000), Thompson et al (2003), and Rowe et al (1994) detailed these components that are considered a part of the strategic formulation process. For

ease of reference a diagrammatic format of those components, as offered by Thompson et al (2003,p.7) is shown below as Figure 2.2. This is the “Five Tasks of Strategic Management.”

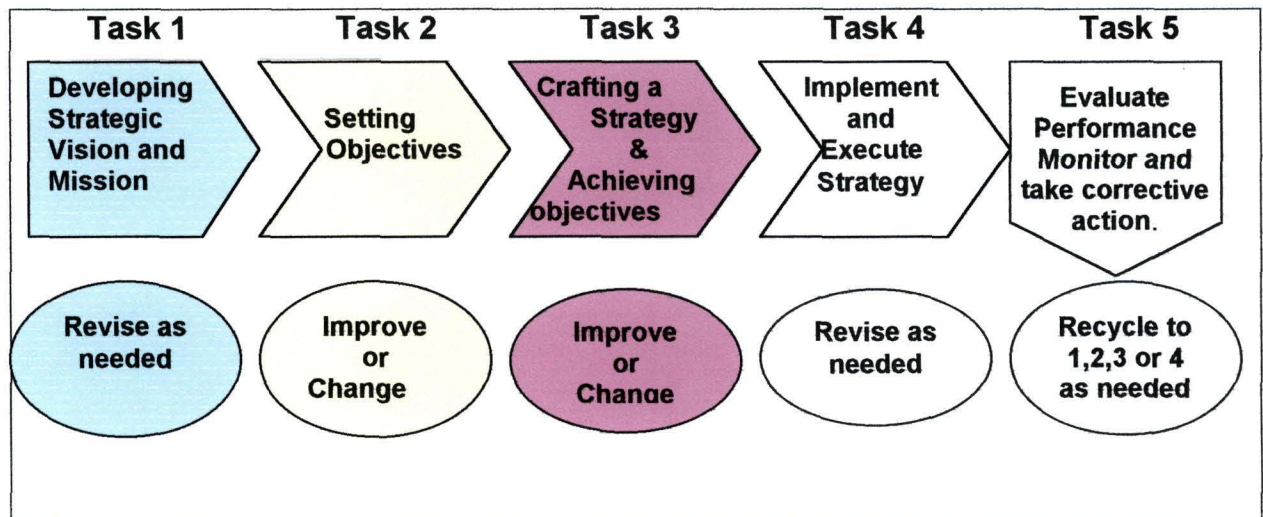


Figure 2.2: The Five Tasks of Strategic Management

2.3.1 Essential Components of Strategic Formulation

A brief review of these components is made with reference to the first 3 of 5 tasks of the Five Tasks of Strategic Management that is relevant to the strategic formulation process. It is the intention to broadly highlight what “happens” at these “stages or tasks”.

However prior to this it is worthwhile to also consider a brief discussion of the organisational structure in the strategic formulation process. The inclusion of organisational structure is borrowed from the earlier model presented, the Four Factors model, and is a key component of this model. It also contributes to the strategic formulation process in the sense that it does address certain important areas.

2.3.1.1 Organisational Structure

The role that this component plays is crucial to the strategic formulation process since it addresses the issue of suitability. Determining the suitability of the organisational structure would answer questions such as: “does the strategy fit the goals, objectives, labour pool and operational procedures of the

organisation's unit? Do the units have appropriate communication systems and procedures to monitor and control performance?

Organisational structure and design are closely entwined with many aspects of human resource management (Mabey, Salaman & Storey 2001). Literature consulted infers the importance of an organisation creating a structure and developing one that maximises the strengths of the firm, changing and manipulating one in order to gain competitive advantage, to survive, etc. But they all promote the fact that an organisations success is very much dependent on its ability to develop its human element with its structure.

Ellen McMillan's paper on "*Considering organisation structure and design from a complexity paradigm perspective*" examines this very aspect albeit from a more scientific basis. Her study, however, reveals that structure has a key role in the human dimension of an organisation.

Summary

The contribution by HR Executive/Division is considered quite important in this process, and as mentioned above, the ability to ensure that the organisational structure suits the requirements of the strategy is one of its main tasks.

By providing this information at a very early stage of the strategic planning phase, Senior Management is made aware whether the organisational structure is most suitable for the organisation or not. It would be much easier to take corrective action than wait for the implementation of the strategy to take place and then address the problems.

With reference to the above “Five Tasks of Strategic Management”, the following discussion on the essential components:

2.3.1.2 Developing a strategic Vision and Mission

(Task 1)

“Leaders can best serve their organisations by introducing some sense of direction, some logic, to incremental steps” Handy (1995, p.40-50).

“It is generally accepted that one of the first “components” of a general strategic management approach is to consider the “mission” of an organisation.” Swanepoel et al.(1999, p.12)

“The vision should be concrete and understandable to all.....it should excite their enthusiasm, motivating everyone in the firm to make this ideal view a future reality”, Rothwell et al. (1999, p.4).

Smith and Cronje (1992, p.52) also make it clear that the organisations mission “give direction to the organisation’s activities and is a concise organised outline of “who we are, what we do and where we are headed”.

Thompson and Strickland (1992) view the phrasing and communication of the mission statement to the lower level management as important as the mission statement itself.

They suggest that the mission statement should have managerial value. It should be able to “crystallises senior management’s view about the long-term direction and make-up of the organisation. Keep directional related actions of lower level management on the right path. Convey an organisational purpose and identity that motivates employees. Avoid visionless or rudderless management and helps and organisation prepare for the future.”

Summary

From the above, the intentions of the vision and mission statements are made quite clearly with respect to human resources management. It is “expected” of HR Management to use these “statements” to motivate, inspire and “plan” the employee’s role in the organisation, when considering the above.

Since the vision and mission statements drive the organisation, it is important, as mentioned by Thompson et al, that they are carried to all levels of the organisation. One method of ensuring that this process is achieved is to make allowance for it in the formulation of the organisations strategies.

The Human Resources management could play a major role here by adopting human resources strategies, such as a Reward Strategy, which would be linked to the achievement of these objectives.

2.3.1.3 Setting Objectives

(Task 2)

“The purpose of setting targets is to convert the statement of organisational mission and direction into specific performance targets, something the organisation’s progress can be measured by.” Thompson and Strickland (1992, p.4)

“Objectives and goals operationalise purpose” according to Rothwell et al. (1989, p.4). He mentions that, whilst goals identify the broad areas from which action ought to be taken, objectives should state the “measurable results” desired over a specific time period. Whilst goals are usually “timeless”, objectives are not, and may be expressed as short, medium and long-term.

Goals should also be “challenging but achievable”, Thompson and Strickland (1992, p.4). When an organisation’s objectives are broken down into specific targets, it is incumbent on the managers of those units to be accountable and responsible, resulting, according to Thompson and Strickland (1992) in a results-

oriented climate. They also identify two performance yardsticks that ought to be used: Financial objectives and Strategic Objectives.

Summary

The importance of goal and objective setting to the strategic formulation process cannot be explained as deservedly as it should be in the above two paragraphs. Having an intimate knowledge of not only the external environment, and the industry within which it operates, is a key to success for an organisation.

Knowing the ability and capability of its own internal environment is critical in the determination and setting out of goals and objectives, and thus providing the key required for the success of the organisation. This information must be provided at the strategic planning stage in order to prepare the senior management with enough information to plan how it intends achieving those goals and objectives.

With specific reference to the human resources of the organisation, literature indicates that the provision of this information, or the relationship that exists here, between HR division and senior management is a key determinant as to the success of these goals and objectives. This relationship is the focus of the study and is dealt with in greater depth later. For the interim, understanding that HR Management is essential at this "Task 2" is sufficient.

2.3.1.4 Crafting A Strategy to Achieve the Objectives

(Task 3)

Thompson and Strickland, (2003,p.4) mention that companies have two main reasons for "crafting, implementing and executing a strategy"-

- Firstly, there is a need for managers to "proactively shape the way the company's business is conducted". Noe et al (2000) sees this as the generic strategy that the organisation engages in and;
- Secondly, "to mould the efforts and decisions of different divisions, departments, managers and groups into a co-ordinated, compatible

whole". Hereto Noe et al (2000) views it as the process of developing strategies for achieving the company's goals.

Financial objectives call for acceptable financial performance but strategic objectives are required for the provision of consistent direction in strengthening a company's overall business position. The objectives of the organisation will be the "ends" and the strategy the "means" of achieving them. In effect then, strategy becomes a management tool for achieving strategic targets.

The designing of good strategies is not as nearly as important as the ability "to put the organisational means in place to carry it out". Good strategies and execution will allow the organisation to adjust to unexpected conditions and circumstances, and more than likely stand out. However, having the right calibre of resources, specifically Human Resources, are the "organisational means" that will ensure this success. Thompson and Strickland, (2003,p.4).

Tyson (1995, p.9) states that, "the actions of the senior managers are influential in deciding the strategic direction an organisation should take...their belief systems, their thought processes are of paramount importance in the creation of strategy." Senior Management then develops broad objectives for the organisation. This is achieved by considering the following:

a) SWOT Analysis

SWOT is an acronym for a company's "strengths, weaknesses, opportunities and threats," and it is used to analyse and evaluate these factors. According to Thompson and Strickland (1992, p.56) the purpose of this analysis is to "determine the features in a company's internal/external environment that will most directly affect its strategic options and opportunities."

In their suggested assessment of an external analysis, Thompson and Strickland (1992, p.57) suggests that probing questions must be asked to determine an understanding of the firms surrounding environment.

Testing the company's strategic situation in an environment requires that an internal analysis be done. Thompson and Strickland (1992, p.86) mention five questions on which the analysis should be centred:

- i) How well is the present strategy working?
- ii) What are the company's strengths, weaknesses, opportunities and threats?
- iii) Is the company competitive on costs?
- iv) How strong is the company's competitive position?
- v) What strategic issues does the company face?

Evaluation of how well the company's present strategy is working requires an understanding on what the company's strategy is trying to achieve. On completion of this analysis, the two lists are carefully evaluated, and the appraisal of how well the company's present strategy complements the strengths and addresses the weakness is undertaken.

In identification of the opportunities and threats facing the organisation, Thompson and Strickland (1992,p.89) reminds one that the organisation's strengths and weaknesses will also determine the nature of opportunities and threats available to and facing the organisation. "A core competence is a basis for competitive advantage because it represents specialised expertise that rivals don't have and cant readily match." Thompson and Strickland (1992, p.38).

b) Core Competence

Core competence is defined by Thompson and Strickland (1992, p.89) as to "something a company does especially well in comparison to its competitors".

They also go on to say that that the importance of a core competence to strategy making "rests with the added capability it gives to an organisation in going after a particular market opportunity, the competitive edge it can yield in the market place, and its potential for being a cornerstone of strategy." Core competencies don't appear naturally. They must be developed and consciously nurtured, and this is usually done from organisation building actions.

For strategy to work the implementers must ensure that the organisation is staffed with the right types of personnel and that the necessary support functions and budgets together with the incentives needed to generate the desired competencies and competitive capabilities.

c) Leaders, Leadership and Strategy

“Weak leadership can wreck the soundest strategy; forceful execution of even a poor plan can bring victory” Sun Zi.

“An organisation’s Chief Executive Officer (CEO) is the most visible and important strategy manager. The CEO, as captain of the ship, bears full responsibility for leading the tasks of formulating and implementing the strategic plans of the whole organisation, even though many other managers have a hand in the process.” Thompson and Strickland (1992,p.13)

In their paper Thompson and Richardson (2003) argue that it is a key role of the strategic leader to ensure that his/her organisation possesses a wide range of generic competencies. This is in order for the organisation to develop and sustain more specific competencies in learning, change management and product/service competitive competency

However, Hendry and Johnson (1993, p13) state “A leaders vision can be implemented successfully only if key managers can make the vision meaningful. A vision is a top manager’s or top management team’s concrete idea of what the organisation should be at some time in the future. A vision is usually different from a straight projection of the present, and therefore its realisation usually requires a change in the way the organisation goes about its business. Managers must interpret the vision and translate it into action in a unified way”

Summary

It is mentioned that in order to achieve the objectives and goals as determined by Senior Management, the organisation must know determine “how” it intends achieving these goals and objectives.

Many organisations, as pointed out by Noe et al, are more interested in “how” they intend achieving these goals and objectives that they forget the most important element, “with what”, or the resources of the organisation. It will serve the organisation well to have the most brilliant plans available to achieve it objectives, however should they not have the resources to carry out these plans, then these plans are of no value.

One of the most important processes that take place is “SWOT analysis” of the organisation and, as mentioned, the role of HR here as well is most important and crucial. Having the “core competence” points to the need of having the correct human resources available to carry out these strategies.

Once again, these important concepts are merely highlighted, but as pointed out by Ambrosini et al (1998,p4) and other literature, “the core competencies of an organisation are considered essential to corporate survival in the short and long term.” HR Management involvement in respect of identifying these core competencies, which can be used to give the organisation an advantage, is critical.

There is consensus that apart from the typical role that a leader is expected to perform his involvement in the crafting of the strategies is crucial. The leader’s ability to lead his organisation to a new level, to be able to realise that having the vision also means being able to accept new and different interpretations of achieving the goals. Allowing certain fundamental changes to the organisation will have a major impact on its crafting of the strategy.

A leader that supports change to the organisation's way of thinking is able to achieve greater successes than those who don't.

“Key Managers” possess that ability to bring about these changes, as they would be the “specialist experts’ who are best able to interpret the vision presented and design the strategy most suited to exploit the strengths of their specialised fields.

2.4 Linkage between HR Management and the Strategic Management Process

The Four Factors Model has assisted in demonstrating the relevance of human resources management in the strategic management process. It has shown that in order for strategic management process to succeed, the contribution of the human resources element is vital. This has been demonstrated by the various links that “hold” the model together.

This model is flawed in some respect in that it does not show “how” the human resources contribution is made to the strategic management process, more especially at the strategic formulation or planning stage.

When the essential components that constitute strategic formulation, with reference to “The Five tasks of Strategic Management” was discussed, human resources management is deemed to be required in each and every component. Not only were some of these components seen to be aimed primarily at human resources, but many were also reliant on human resources management input.

Thus far, strategic formulation has considered the input of human resources management in the strategic management process, but the nature of this input is not clear. The linkage that exists between human resources and strategic formulation and planning requires clarification.

According to Noe et al (2000), the nature of the relationship that exists between the human resources division and strategic planning can, to a major extent, determine the success of the strategies of the organisations. To be effective, Noe

et al., (2000,p.69) states that the “HRM function must be integrally involved in the strategic management process”.

They cite the involvement of the HR Executive with the strategic plan of the organisation, where the HR Executive will be able to give input as to whether the Human Resources of the organisation would have the capability and the ability to implement these strategies.

However prior to determining the relationship of the various linkages that exist between Human Resources Management and Strategic Formulation, it is necessary to briefly consider Human Resources Management in organisations.

2.5 Human Resources Management

Human Resources Management refers to the “policies, practises and systems that influence employees behaviour, attitudes and performance.” Noe et al (2000,p.4)

Robbins et al (2001) defines human resources management as a management function that is concerned with getting, training, motivating and keeping competent employees.

Tyson (1996,p.40) mentions that the term human resource management was introduced to highlight the new role that personnel management was following, as it best described the “development of people as assets rather than their control as costs; and places people management at the strategic heart of business planning.”

Tyson (1996) also goes on to mention that the while some HR divisions in some organisations still perform the traditional roles associated with the personnel function, there are other organisations where HR is involved with strategic planning, developing long term manpower plans and industrial relations strategy.

How the organisation is organised and its size will influence the way the personnel department fits into the organisation, and the way that it influences the decision-making process. A macro perspective of HR Management is essential, that is, it should not be considered in isolation but rather in the context of the organisation as a whole to ensure that it remains functional and that HR functions support the overall business strategy of the organisation. Smith et al (1995)

2.5.1 The Relationship between Human Resource Management and Strategic Formulation

This relationship can take many forms. The following discussion refers to the theory proposed by three authors on these relationships.

2.5.1.1 Butler's Approach

Butler et al. (1991,p.19) describes three approaches to the interface between the organisations strategy and human resource management:

a) The Accommodation Approach

In this approach HR Management is concerned only with facilitating the implementation of the chosen strategy as formulated by Senior Management. Here the HR Management policies are a "response tool" because they are used to ensure that decisions, made by others, are implemented. The contribution by Human Resources management is minimal.

b) The Interactive Approach

Two-way communication between the HR Management and the Strategic Planning exist. The HR Executive is more proactive and more central to organisation's effectiveness. Whilst this approach is also "mechanical" since the HR Executive still responds to Senior Management, it does offer more benefits to the organisation.

c) The Fully Integrative Approach

A dynamic, multifaceted association that is based on an interactive relationship, rather than the HR Executive responding merely to actions by Senior Management. There are numerous opportunities for interaction, and contributions from all parties are essential. Communications are both formal and informal. HR Executives are likely to be included in the Executive team that formulates strategy. At this level the HR Executive is an important member of the strategic planning team.

2.5.1.2 Cascio's Approach

The interface between strategic human resource management and strategic management, courtesy of Cascio (1991, p.221) is viewed taking the three elements mentioned below into consideration:

a) Input linkages

Strategic human resource information is provided by the human resource staff, either before or during the strategic planning process.

b) Decision inclusion linkage

The human resource staffs are involved, either *directly* or *indirectly* in the strategic planning process.

- In the *direct* process, the HR Executive is included as a member of the strategic planning process. His/her involvement would entail amongst others, attendance to all meetings, the introduction and monitoring of all human resource issues, whilst participating in developing objectives and strategies.
- In the *indirect* approach, the human resource Executive receives the strategic plan after it has been formulated, and comments on the feasibility and desirability of the Human Resources issues in the plan. It could also imply that the HR Executive gives final approval of the plan after considering the human resource implications.

c) Review and Reaction linkage

The HR Executive receives the strategic plan after it has been formulated, and comments on the feasibility and desirability of the human resource issues in the plan. It could also imply that the HR Executive gives final approval of the plan after considering the human resource implications

2.5.1.3 Noe's Typology

Noe et al (2000) refers to a study that identified four levels of linkages between the HR function and strategic management function. These are in Figure 2.3, below.

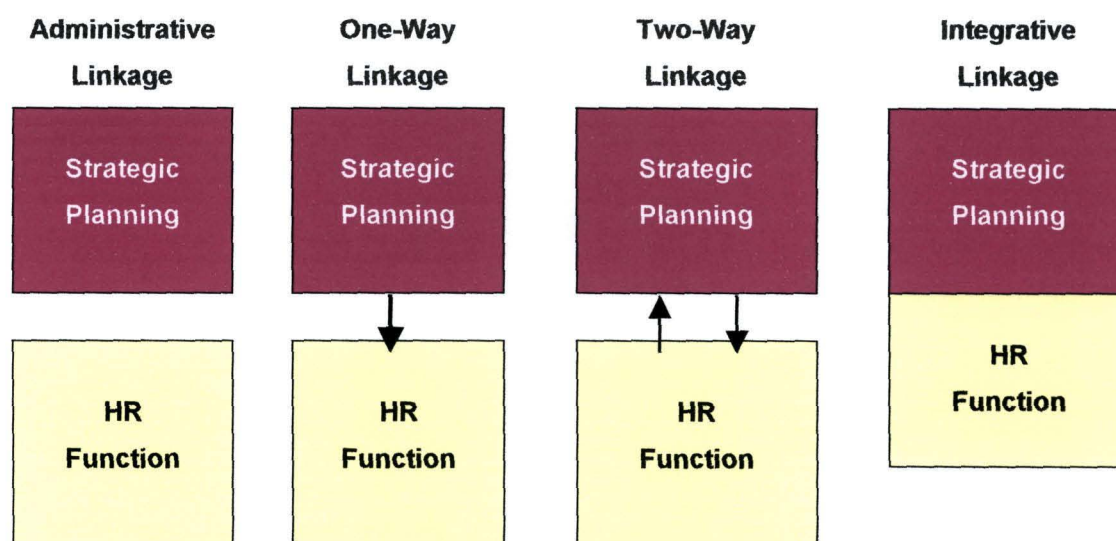


Figure 2.3. Golden, K. and Ramanujam, V. (1985) Human Resource Management

According to Noe et al (2000), the following relationships occur:

a) Administrative Linkage

Here there is the lowest level of integration. The HR function concentrates on day-to-day activities, and has neither the time nor the opportunities to take a strategic outlook towards its HR issues. Here the organisations strategic business planning function exists without any input from the HR department.

The level of integration is completely divorced from any component of the strategic management process in both formulation and implementation. The department engages in administrative work unrelated to the company's core business needs.

b) One-Way Linkage

The organisation's strategic business planning function develops the plan, and then informs the HR department of the plan. According to Noe (2000), many people believe that this relationship or level of integration is what constitutes strategic Human Resources management i.e. it is the HR role to design systems and/or programmes that implement the strategic plan.

Whilst this one-way linkage recognises the importance of Human Resources in implementing the strategic plan, it precludes the company from considering Human Resources issues while formulating the strategic plan. This level of integration often leads to strategic plans that cannot be implemented successfully by the organisation.

c) Two-Way Linkage

This linkage allows for the consideration of human resource issues during the strategy formulation process. Here the integration occurs in three sequential steps. The strategic team informs HR management of the various strategies that the organisation is considering.

This then leads to the HR Management team analysing the effects and implications of these strategies on the Human Resources. The results are then presented to the strategic team for further analysis. On reaching a decision the strategic team passes their plans to the HR management, who then have to develop programmes to implement it.

d) Integrative Linkage

Termed a “dynamic and multifaceted” linkage, that is more continuing rather a sequential interaction, here the relationship of the HR Management with that of the strategic management team is more integrative, with the HR Executive being seen as an integral member of the strategic team.

In strategic Human Resources management, the HR function is involved in both strategy formulation and implementation. Information about the organisation’s human resource capabilities is used to determine whether the strategic planners have chosen the best strategic route. Once a strategy has been agreed upon, the role of the HR management is of development and alignment of HR practices that will provide the employees with the necessary skills to implement the strategy.

2.5.1.4 Nature of the Interface

Whilst according to Elsabé Smit et al. (1995,p22) there are a number of different factors that influence the nature of the linkage, Schuler at al. (1992, p60) describes the different choices that are made within the organisation to establish the nature of the interface such as the following:

a) Degree of formalisation

Degree of formalisation- the interface could either be formal or informal. The type of relationship between the HR Executive and the Chief Executive Officer will influence this, i.e. in instances where a strong relationship of trust exists, then the link will be more formal, because the Chief Executive Officer will insist that the Human Resources Executive has input.

b) Degree of tightness

Degree of tightness- the interface would range from loose to tight. In a loose interface situation, the HR Executive will only be consulted on HR related issues.

In a tight interface, the HR Executive will participate in the complete strategic process, and as a member of the strategic team.

c) Time horizon of planning

This could be short-term or long-term. If the HR function is not completely developed, the human resource strategic plan will probably be more short-term.

Mention is made frequently, that the degree of involvement by the HR Executive/ Practitioner in the strategic process, must not be taken for granted or dictated to.

Summary

Whilst Butler's approach is viewed based on the assumption that the HR Department has not taken a strategic role as yet, Cascio's approach is much different. Cascio's approach already sees the HR management achieving strategic status since he mentions that in the "input linkage stage" the staff will provide strategic information.

Only when HR Divisions practice strategic HR Management can the department contribute to the strategic planning process. This means that the organisations that contributed to the strategic planning phase in Cascio's approach are significantly superior to those companies mentioned in Butler's approach.

Companies that can be identified as falling into the "input linkage stage" according to the classification proposed by Cascio's may find it easier to move into the "Decision Inclusion Stage", more specifically the "direct process" stage.

Cascio's approach also totally discounts any reference to the HR as to being an administrative only function. This further reinforces the fact that Cascio's approach is more relevant to organisations that have identified HR as being strategically important to the organisation.

Noe's Typology (2000) has considered the typical scenarios present in most organisations with regards to how Human Resources is viewed and therefore is

highly relevant in the analysis of the relationships that exist between HR management and Strategic Formulation. They have identified four stages or levels that represent the “typical position” of HR in the organisation and its relationship with strategic management and this is supported by the similar approach undertaken by both Butler and Cascio.

Noe's Model takes into consideration the fact that many organisations still have HR Management that perform a purely administrative function to the organisation. This model also considers the attained strategic status of the HR Management in the organisation (Two-Way linkage and Fully Integrative linkage). This is supported by Rothwell and Kazanas (1988,p.1), when defining the HR planning as a process, add that this process becomes strategic when an attempt is made to anticipate long term requirements of the organisation, and also to use HR programmes to meet these needs.

Whilst to some degree in Noe's Model, the “Two-Way Linkage” displays a form of strategic HR Management; it is in Integrative Linkage that proper Strategic Human Resource Management actually takes place. Similarly, in the “Fully Integrative Approach” mentioned by Butler, and the “Decision inclusion linkage: Direct Approach” mentioned by Cascio al.

It is important to review in detail how strategic human resources management is considered to allow the organisation a stronger advantage than if it was not adopted at the fully integrative level

2.5.2 Strategic Human Resources Management

According to Tyson (1997,p159), the “first operational step for those wishing to implement strategic human resource management will be to gain a broad overview of the organisation's strategic management process-and to identify the key actors responsible for its delivery.”

To ensure that this takes place it is important that Senior Management, more specifically the head of the organisation embrace this philosophy and ensure that the principles are applied to all areas of the business.

Tyson (1997) believes that there are three aspects in which the study of the strategic role of HR Management can be classified accordingly:

- i) The first concerns the belief that strategic HR Management is actually representing the recognition that certain policies relating to employee development, and the regarding them as assets, contribute to improved performance in the organisation;
- ii) The second deals with the notion that HR Management is a “strategically oriented version of personnel management” whilst strongly adopting a “change management “ flavour.
- iii) A third belief is that the different management approaches of companies occurred as a result of the influence of researchers and the subsequent response to the research by those companies.

In this study, the strategic role of HR Management takes on the first belief as proposed by Tyson (1997).

Some academics define strategic human resource management in terms of integration and adaptation; some have also included culture, values, structure of the organisation and the quality, motivation and commitment of its members.

Strategic Human Resources Management (SHRM) is defined as “ the pattern of planned human resource deployments and activities intended to enable an organisation to achieve its goals”- Noe et al. (2000, p.69)

Rothwell et al. (1989, p.16) defined SHRM more along the lines of “changing an organisation, its stakeholders outside it, groups inside it and people employed by it, through planned learning so they possess the knowledge and skills needed in the future.”

Armstrong et al. (1992,p.25) define SHRM as follows: “ decisions which have a major and long-term effect on the employment and development of people in the organisation and on relationships which exist between its management and staff.”

Tyson (1997, p2) defines SHRM as the “philosophies, policies and practices which management adopt in order to achieve business related people management objectives”. Only through the involvement of HR Managers within strategic development or planning can there be opportunities for HRM to make a strategic contribution.

Elsabé Smit et al. (1995,p7) proposes the following: “strategic human resource management is a process which is used to anticipate future human resource demands based on business strategy, and to plan for the provision of Human Resources in such a way that the mission and business strategy of the organisation can be realised.”

Summary

The definitions of strategic human resources management, when compared to the definitions offered earlier on Human Resources Management, is quite obvious in the differences that exists between them. The definitions of SHRM have a clear purpose of what it is supposed to do; who and what it is supposed to target and how it intends following these targets.

The strategic importance, behind these definitions, is much more obvious and clearer. While the ‘normal HR Division’ would, from the definition, be relegated to “an administrative role/function”, the SHRM as described, elevates the role of the HR Division, to a key strategic level. Some of the features that would separate SHRM from HRM are offered below.

2.5.2.1 Characteristics of Strategic Human Resources Management

Strategic Human Resources management...

- ...regard Human Resources costs as an investment rather than an uncontrollable expense.
- ...is proactive in its approach to developing Human Resources policies and resolving Human Resources problems.
- ...shifts the emphasis of the Human Resources management department developing a future oriented approach to the controlling of Human Resources.
- ...promotes human resource management activities.
- ...focuses on approaches that further both the organisation's and the individual's goals.

It would be argued that the above are activities that are required of HR management anyway. However, the fact that the organisation sees these activities as being essential and critical to the fulfilment of its goals; ensures its strategic relevance.

It is necessary, however, to take a closer look as to why there exists a need for strategic Human Resources management, instead of Human resources management

2.5.2.2 Purpose of Strategic Human Resource Management

It is mentioned earlier that HR Management makes up a fundamental portion of the strategic management process, and hence it is necessary to demonstrate this purpose. Literature consulted purports that there are many arguments to indicate why strategic Human Resources' management is required or necessary

These arguments justify the input of the HR Executive into the strategic management process. However, the input will only be acceptable if there is a specific and practical output.

Schuler et al. (1992,p.51) views one of these outputs as “identifying future organisational demands and supplies of Human Resources and developing programmes to eliminate any discrepancies, in the best interest of the individual and the organisation.”

More specifically, the purposes of strategic human resource management are to:

- Reduce personnel costs- Assist management by anticipating shortages or surpluses of Human Resources. HR Management can also correct these imbalances before they become unmanageable and expensive;
- Provide a basis for planning employee development;
- Improve the overall business planning process;
- Provide opportunities for women and minority groups in future growth plans and to identify the specific skills available;
- Promote awareness of the importance of sound HR management throughout all levels of the organisation;
- Provide a tool for evaluating the effect of alternative human resource actions and policies.

Another view taken by Mc Beath (1992,p12) states that “within the business plan, the manpower contribution will define whether business plans are achievable in manpower terms, and determine how manpower recruitments will be resourced. In turn they will determine the recruitment, development, training, and redundancy strategies of Human Resources policies, and strongly influence many of the remuneration policies.”

Armstrong et al. (1992,p.37) supports this view, and lists a few key requirements for strategic Human Resources management, viz.:

- It must be justified by the business strategy,
- It must be imaginative and innovative,
- It must be clear and possible to implement.
- It must be selective, focusing on priorities. These priorities can be deduced from the overall business strategies.

- It must be flexible.

Armstrong et al (1992,p.37) also goes on to mention that strategic Human Resources management must also be able to provide answers to the following questions:

- i) "How are we going to acquire and retain the number and quality of people required to meet the predicted needs of the organisation?"
- ii) How are we going to ensure that we have a well-motivated and fully committed workforce?
- iii) What actions will be needed to train, develop and equip people for greater responsibility and responsiveness to change and the resulting demands for different skills and abilities?"

"Strategic human resource management should match, fit and follow from the thrust of the organisation...the purpose of strategic human resource management is to utilise more effectively Human Resources vis-à-vis the strategic needs of the organisation, ...based on these view-points, strategic human resource management is defined as all those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of the business." Tyson (1997p.184)

Summary

From the above it is evident that the strategic HR management is much more than providing the organisation with policies, and systems. SHRM is involved in ensuring that people related objectives from the organisation's business objectives are achieved. SHRM goes beyond the role of providing the organisation with a capable workforce; it also plans for the current and future requirements of the organisation. SHRM is also constantly redefining its role within the organisation and is ensuring that that the organisation is adaptable to the changes required of it, through internal and external influences.

As within Strategic management, planning is essential with the development of its strategies, so to is planning an important requirement of strategic human

resources management. Strategic HR planning is the foundation to successful SHR Management, and provides the strategic team with all the information necessary to assist in the determination of its organisational strategies.

2.5.2.3 Strategic Human Resource Planning

Rothwell & Kazanas (1988, p.1) defines Human Resources planning as a process which “helps ensure that the right numbers of the right kinds of people are available at the right times and in the right places to translate organisational plans into reality.

This process becomes strategic when “some attempt is made to anticipate long-term HR supplies and demands relative to changing conditions facing the organisation and use HR departmental programmes in an effort to meet HR needs”.

Human resource strategic planning should be a continuing process, and the refining of the strategies is also influenced by factors such as the structure of the interface, etc.

Schuler et al. (1992,p.60) provides a further perspective by considering four phases into which human resource planning can be divided into:

Phase1: Gather, analyse and forecast supply and demand data

Phase 2: Establish human resource objectives and policies

Phase 3: Human resource programming

Phase 4: Human Resource planning, control and evaluation

The view taken by Rothwell & Kazanas (1988,p.18) on strategic human resource planning process encompasses a wider area and they consider the following steps below:

- i) Linking the purpose, goals and objectives of the human resource department and human resource plans to the purpose, goals and objectives of the organisation.

- ii) Assessing and analysing the present status of Human Resources in the organisation;
- iii) Consider the range of long term human resource strategies that can be used to close planning gaps in the work content and workforce. An overall strategy must be chosen to close this gap.
- iv) Implement the overall strategy through the co-ordination of human resource practices.
- v) Manage the human resource function to ensure the implementation of an overall human resource strategy.
- vi) Evaluate the overall human resource strategy before, during and after implementation.

Tyson et al (1996) considers the following as being main elements of a Human Resources planning system.

- i) Defining or redefining the organisations objectives
- ii) Determining and implementing the basic requirements for sound planning
- iii) Assessing the future requirements to meet objectives.
- iv) Assessing the current resources and availability of resources in the future.
- v) Producing and implementing the plan in detail.
- vi) Monitoring and amending the plan as required.

They also explain each of the above in detail and demonstrate the level of analysis that certain organisations need to take into consideration when they undertake an analysis of the Human Resources required. Using instruments such as the SWOT analysis and PEST analysis, they can scan and understand the demands required of their resources through the external and internal investigation.

The necessity of considering all aspects of human resource management in the broader context of the organisation is demonstrated in the approach followed by Butler et al. (1991), in their take on strategic human resource planning.

As with strategic planning, strategic human resource planning is also done at three different levels in the organisation. These are as follows:

a) Corporate Level Planning

Planning at corporate level is described as “policy making” by McGregor (1991p.105).

After the formulation of the mission, objectives and goals, it will be decided by Senior Management as to what skills are required to transform the Human Resources such that they are able to achieve the strategy of the organisation. The fundamentals of the organisation with respect to the desired functioning of the organisation are agreed upon, and this would form the broad outline of the Human Resources management function.

b) Business Level Planning

Rothwell and Kazanas (1988,p.225) describe business level planning for Human Resources as “co-coordinative planning.” McGregor (1991,p.105) describes human resource planning at this level as the “implementation of policies.” The design of the organisation in terms of the strategy and structure of the organisation is reviewed and required changes in terms of the strategy and structure of the Human Resources functions are identified. The personnel system is designed to suit the requirements of the Human Resources policies.

The allocation of resources is also done at this level. Certain decisions regarding the allocation of a financial budget for Human Resources is provided for here. Also, the means to identify and implement certain tasks to carry out these policies are considered and incorporated.

c) Functional Level Planning

Functional level planning is, as described by Rothwell and Kazanas (1988,p.225), the planning of Human Resources for operational planning. Functional planning is very important since it encompasses the implementation of the strategic plan. McGregor (1991,p.105) describes Human Resources planning at this level as operations management.

At this level, planning would require the evaluation of aspects such as job design, designing of workloads, etc. During this planning, the strategic business plans are translated into action plans and the strategy is implemented

Summary

It must be mentioned, however, that the discussion of the role of Strategic Human Resources Planning at the various levels mentioned pertains to organisations that are seeking to enter the market as well as organisations that have adopted the fully integrative approach. Hence, for example, while it has been mentioned at the corporate level of the formulation of a vision and a mission as for a new organisation, it is also possible that for existing organisations, reviewing the mission and vision can still take place at this level.

The main aim of strategic human resources planning is to produce strategies that would complement the organisational strategies of the organisation. Strategic human resource management strategies are one of the main objectives of strategic human resources management, and considered a major contributor to the achievement of the objectives of the organisation.

The following is a discussion of this outcome, strategic human resources management strategies.

2.5.2.4 The Creation and the Implementation of HR Strategies

On the issue of creation and implementation of a HR strategy; this, according to literature, takes place as a consequence of an analysis of 'what is happening in the organisation currently'; and the strategic intentions of senior management.

There is the belief that people management strategies are integral within organisational strategies and that the implementation of the strategy entails performing certain tasks, which would result in a change or "something happening" in the firm. Literatures abound on the way that HR strategies should be formed. Fig.2.4 represents the ideal typical model of HR Strategy as a linear flow as shown below.

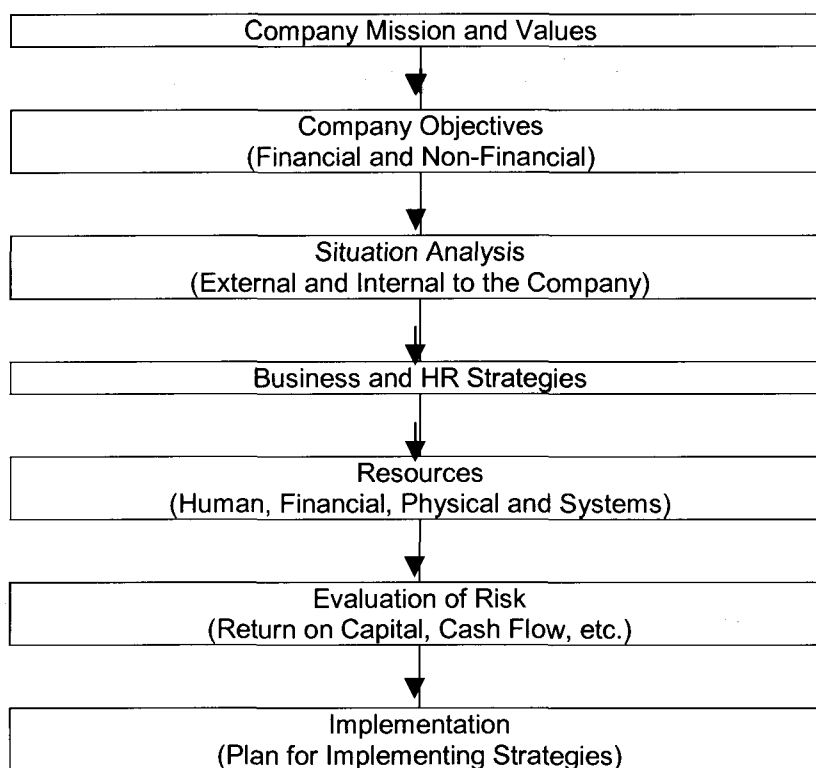


Figure 2.4 Flow Chart of strategy process- Tyson (1997)

Tyson et al. (1997), with reference to the above model, argues that HR Management issues must be considered at each of the stages mentioned, and subsequent HR strategies can be derived from them.

Without human resource strategies and policies linked into strategic business objectives, high levels of organisational performance are not likely. Huselid (1995); Miles and Snow (1994).

This is elaborated further by Tyson (1997), where it is discussed that on its own, HR policies and practices would not translate into higher productivity. However, together with the appropriate organisation structures, integrated processes and systems, which are supported by management, HR Management can create conditions that would give a firm a competitive advantage.

Noe et al. (2000) views the planning of human resource activities as one of the main functions of strategic human resource management. Whilst Rothwell (1989)

et al considers the development of staff through education and training as essential to this process

Armstrong et al's (1992) takes the position that a human resource strategy must have "a major and long-term effect" on the organisation and its personnel. This is important, since a company must be seen as making or taking innovative steps towards attaining its goals and objectives. These steps are the numerous HR strategies that an organisation can embrace.

Smit's (1995) definition considers the "process" of using HR management to anticipate future human resource needs. She does this by identifying the important link between the organisation's mission, its business strategies and Human Resources to ensure an organisation's success. This is a crucial factor that has to be considered when determining or evaluating the HR strategies of an organisation.

Organisations must be aware that the attainment of its objectives and goals are highly dependent on its capabilities and abilities of its resources, more specifically its Human Resources. Of the resources available to an organisation it's the labour component that is the most unpredictable, and the most difficult to plan around. That is why Tyson et al (1995) sees the attainment of a "people's objective" as the goal of the Human Resources strategy.

The above are just some of the factors that must be borne in mind when determining or evaluating a human resource strategy. There are, however, other important factors that must be considered.

In the approach towards the adoption of a human strategy Armstrong et al. (1992,p.192) suggests that three questions be asked:

- "What people are needed? - Various methods and factors would influence this decision, however, business strategy could be used to provide the direction sought.

- What organisation structure and culture is needed- It is suggested that the current status of both the structure and culture be investigated and assessed.
- What changes are needed- The current and future human resource situations should be compared in terms of existing systems and policies and an action plan should be designed to bridge any identifies gaps.”

Elsabé Smit (1992) states that there are various ways in which the planning of the Human Resources could be approached in order to answer the questions posed above. However, she cautions that this process should not be viewed in a manner that makes strategic human resource management a manipulation of numbers. In her view this process should rather consider the broader picture of the human resource cycle within the organisation.

Tyson (1997, p.178, 179) observed that key strategies were responsible for specific HR strategies in certain companies. But he also observed that there were five common but key HR strategic issues in nearly all the companies. These are identified below:

- i) “The need to align people with the business.
- ii) The need to link HR with the needs of the business.
- iii) The need to facilitate a global organisation.
- iv) The need to re-conceptualise the delivery of the HR function partnership.
- v) The need to reposition the HR department.”

“HR strategies are now frequently seen as the key to the achievement of business objectives” Tyson (1995, p.3). He mentions further, that the aim is also to identify the key characteristic features of the HR strategies and how these connect to business strategies.

Summary

The importance of HR strategies were highlighted above. From those discussions the impact of having or striving towards implementing these strategies is put into

context. In short, organisational performance is highly dependent on the human resource strategies and a complementing strategy or process to all other functions of the organisation. However, in order for these strategies to work, there are certain conditions that must exist in the organisation. This, also, will not translate to mean that if these requirements are in place then the strategies will necessary be successful.

a) Requirements for a successful Human Resource Strategy

For a human resource strategy to be effective there are certain requirements that will be needed in order for it to support the organisations overall strategy. Whilst this list is certainly not exhaustive, it does offer an indication as to what certain key features are required.

Tyson (1997) suggests that there are key organisational features that could make for successful Human Resources management.

- The extent to which there is a clear business strategy, which is communicated throughout the organisation.
- Whether there is a change management programme in existence or another attempt to 'manage' the corporate culture.
- The degree of similarity that exists within the organisation.
- The attitude of line managers towards human resource activities.

Armstrong et al (1992, p.81) state that "human resource strategy managers should be involved in both developing and implementing strategy." They also propose that in order for human resource strategy to be effectively integrated with business strategy, the following are necessary:

- The Human Resources Executive must be involved in at least a "two-way communications level" with business managers before the business strategy is finalised. The HR Executive must be seen as an integral member of the strategic management team.
- The Human Resources Executive must support the organisation's strategy on a number of fronts. The Human Resources Executive and its team should be

involved in designing the strategy to ensure that they have ownership of the strategy and motivated to implement it.

- Human resource processes, which have a common architecture, for example an appraisal system, which measures the same behaviour among all employees. Here the behaviour is developed through the development programme and rewarded by means of the remuneration system.

b) The Focus of Human Resource Strategies

Armstrong et al (1992,p.17) states that the strategies for investing in Human Resources focuses firstly on areas, which will bring in measurable returns viz.

- i) Resourcing- refers to steps that could be used to obtain, train and retain people.
- ii) Human resource development- the supply of people and skills required in future.
- iii) Performance and Reward Management- the development of performance management and remuneration systems to provide incentives and rewards.

Human resource strategies also aims at addressing such other areas such as:

- i) Organisation and job design.
- ii) Communications management
- iii) Education and training activities
- iv) The development of a co-operative climate of employee relations.

According to Tyson (1997), the organisation's attitude towards change is also a dimension, which requires deeper investigation. Human Resources strategies that can positively seek to change its beliefs, values, attitudes, work-styles and relationships (collectively referred to as 'the organisational culture') must be investigated.

Tyson (1997,p160)) also believe that the commitment to change and the desired pace of change are stronger in some organisations than others. He quotes an example of ex-Government Departments who have privatised, where "human resource programmes and their appropriate link with business strategy, will

receive greater prominence and demand the attention of senior management and their commitment.”

What the above resound is the important contribution that, like any strategy undertaken by an organisation, the human resource strategy can have on the organisation. But like corporate, business and functional strategies, the human resource strategy must also compliment the relationship that exists between these different levels of the organisation.

2.5.3 The Relationship between Human Resource Strategy and Organisation Strategy

Elsabé Smit (1992,p.48) sees the overall business strategy as the output of the planning process but also the input for the formulation of a human resource strategy. Walker (1992,p.7) states that when the output of strategic planning is a business strategy, strategic HR Management is required on the output side, to ensure that the business strategy chosen is implemented successfully.

Walker (1992,p.7) gives three reasons for this:

- i) Strategic Context: Strategy is required for the changes to the environment. The process of strategic planning helps to consider long-term changes that are achievable through short-term actions, therefore Human Resources management can be both proactive and reactive.
- ii) Strategies are people intensive: People are required to implement strategies; therefore human resource issues must be central to strategic implementation.
- iii) Strategic Alignment: The business related changes or issues result in the formulation of business mission, vision and values, which continue until objectives and strategies are determined.

Elsabé Smit (1992,p.49), “human resource strategy must be designed to support the overall business strategy. This process of aligning human resource strategy with the overall business strategy requires that human resource issues in the overall strategy be identified and human resource strategies formulated to deal with these issues. Alignment is achieved when human resource programmes and

activities are implemented and the results are evaluated to establish whether human resource activities and programmes support the overall strategy.”

Other reasons given for the alignment with business strategy are as follows:

- There is clarity on opportunities for the achievement of the overall business strategy as well as the barriers against it.
- Encourages new ideas about certain issues and promotes, educates and develops participants.
- Tests management’s commitment.
- Develops a sense of urgency and commitment.
- Provides direction by giving rise to the selection and prioritising of certain courses of action.
- Provides a strategic focus for managing the business and developing managerial talents.

Armstrong et al. (1992,p.37) states that whilst human resource strategy exists to support the achievement of the business strategy, the support should also be both proactive and reactive. In being proactive, the HR Executive should suggest to the organisation how it could maximize the added value provided by its Human Resources.

A reactive support would see the HR Executive assessing the human resource implications of the established business strategy and determine the human resource strategy, which will support the business strategy.

Elsabé Smit (1992,p.50) summarises her views on why human resource strategy is important to business strategy aspects as being the following. “The human overall business strategy serves as input to the human resource strategy, and the two strategies must inter-link to ensure that they support the same vision and mission. When this link is ensured, the process will continue.” The following Figure 2.5 is a diagrammatic interpretation of this process.

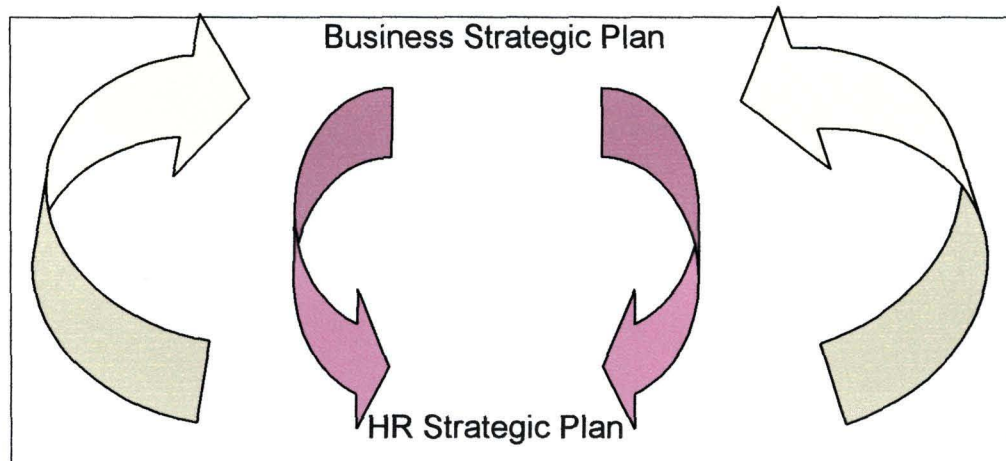


Figure 2.5. Elsabé Smit –(1992,p50)

Rothwell and Kazanas (1988,p.232) also states that Human Resources policies should be aligned with the organisations strategy. Since these policies also support specific human resource strategies, then these human resource strategies should also be aligned with the organisation strategy.

Any changes to the human resource strategy would result in the changes to the human resource policies. These would need to be assessed to ensure that they still support the mission and strategy of the organisation. Tyson (1997,p165)) suggests that once the mapping of the organisation is complete then “ the HR Department should seek to identify and formulate the policies, programmes and practices which are appropriate in supporting the business strategy.”

A point emphasised by Tyson (1997,p.166) regarding the above is the fact that one important assumption is made throughout, and that is “strategic management will not be possible in an organisation unless the HR professional takes steps to make it happen.”

2.5.3.1 Assessing and Evaluating the Existing HR Department, its Policies and Strategies

In order to assess the HR Department it may be necessary to understand within what it is being viewed by the organisation. This may require that a study to determine its position and placement within the organisation is undertaken.

a) Positioning the HR Department

Following from a Price Waterhouse/ Cranfield project, Brewster and Larsen's (1992) article had given rise to the following model, which attempts to place the Human Resources Department within the organisation.

Brewster and Larsen's Model

According to this model, human resource practices can be categorised inter-alia by the degree of integration of Human Resources management with business strategy and the degree of devolvement to line managers. Accordingly, this model allows for the analysis of both the role of the Human Resources department and the positioning of the human resource management as a general management activity. It is supposed to offer an insight as to how the HR department may attain its strategic role and what to avoid. This Model is illustrated in Figure 2.6 below

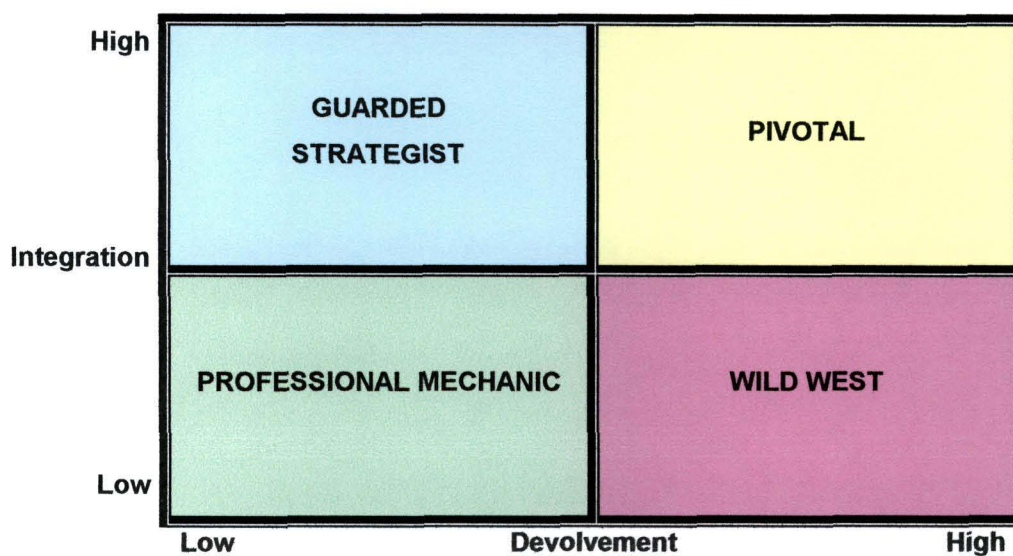


Figure 2.6 Brewster and Larsen's Model- (1992)

If the HR department operates at a low level of integration the scenario is that of the 'Professional Mechanic' or the 'Wild West'. These positions are of limited interest in the context and in neither case does the department play a strategic role.

The Professional Mechanic emphasises the specialist, but limited skills and interests of the practitioners. Here the manager sees him/herself as having higher imperatives above that of the organisation.

The Wild West is a nightmare scenario with every line manager free to develop his/her own style of relationship with employees. The resultant: incongruence, incoherence and inconsistency with the employees. This scenario is unlikely to exist within any organisation with an effective Human Resources department.

According to this model, the upper two quadrants are where the HR department becomes strategically involved albeit in different ways.

Placement in the 'Pivotal' quadrant means that HR Management is fully integrated and there is a high degree of devolved responsibility. Here Senior Personnel Specialists operate as catalyst, facilitators and co-ordinators at the policy level of the organisation. This is a 'Pivotal' position since small, highly respected personnel departments at policymaking level can exert a "powerful disproportionate influence". This offers a demanding but attractive role for the department.

Finally, a position in the 'Guarded Strategist' quadrant occurs where the devolvement is low. Although the HR specialists are powerful, and have few problems (such as coping with enormous workloads) according to Brewster and Larsen (1992) this can be a position of considerable inefficiency and frustration. There are inherent tensions here that make the situation untenable for any sustained period. Therefore, the task facing any department is to move to the 'Pivotal' position, where both the link with strategy and that with devolved authority must be promoted if progress is to be sustained.

b) Assessing the existing HR Policies

Elsabé Smit (1992, p24) proposes that existing policies can be assessed using the following criteria:

- i) Do the policies support the achievement of desired human resource objectives?
- ii) Are the policies practical and executable?
- iii) Are they cost effective?
- iv) Do they provide guidance in important areas of human resource and organisational management?
- v) Are they consistent with one another?

c) Evaluating the HR Policies

Elsabé Smit (1992, p24), also advocates that the following questions be borne in mind when attempting this evaluation and are as follows:

- i) Will there be adequate numbers of employees in the future?
- ii) Will the right kinds of people occupy each job category?
- iii) Will the HR department be proficient enough to change jobs and people over time in a way that facilitates the achievement of strategic business plans?
- iv) On what basis will decisions on certain HR functions be made?
- v) Will priority be given to training and developing people from inside or recruitment of people made from the outside?

Elsabé Smit (1992, p25) states that a negative answer to any of the above would require that the all existing Human Resources policies be assembled and all existing human resource policies be assessed to establish the following:

- i) How well have they worked in the past?
- ii) How well, will it probably work in the future?
- iii) What are the desired results from such a policy in the future?
- iv) How would the policy be changed to facilitate implementation of the human resource strategies?

d) Evaluating the HR Department needs

Tyson (1997,p166) suggests that the following could be used as a guideline in evaluating the needs of the HR department.

- “To access the existing corporate strategy, identify the evident HR components, and ‘translate’ the other components into HR terms.
- To input an HR element into any strategic planning process; ensuring that component business units address relevant HR issues in their business planning cycle-special activities with HR implications.
- To review HR programmes in the light of the above information and revise; where appropriate transmit the results from line management.
- To formulate activities (including training programmes where necessary) to encourage greater awareness and commitment from line management.
- To specify strategic objectives for the HR department itself, using the same structure or format as those applied for business units.
- To devise and implement appropriate performance measures or monitoring arrangements to ensure the effectiveness of strategic HR activities.”

e) Factors that affect Human Resource Strategies

Armstrong et al. (1992,p.42) points out that there are other factors that affect human resource strategies:

- “Human Resources strategies become ends in themselves- that is all the effort goes into the development of the strategy, and none into the implementation thereof.
- Human resource strategies are expressed as bland statements with which everyone agrees, but on which no one acts.”

According to Elsabé Smit (1992,p.45) another problem is that there is no systematic effort made to evaluate human resource strategies. She proposes that this could be overcome by adopting a strategy of commitment to change and identifies the following phases:

- Preparation: Identify the people involved in the process and make them aware of the impending change.
- Acceptance: Provide information on the purpose of change, the proposed implementation of change and the effect on those concerned.

- Commitment: The change is implemented and becomes operational.

f) Human Resource Strategic Objectives

It has been discussed how important it is to formulate a broad human resource strategy, which supports the overall organisation strategy. However, the broad strategy must be divided into objectives, and the achievement of the individual objectives will ensure that the overall strategy will be realised.

Since strategic Human Resources management is carried out at different levels in the organisation, the nature of these Human Resources objectives at each level should also be considered.

At corporate level, the strategic Human Resources objectives are comprehensive in scope and stated in broad terms. They focus on the long term, concentrating more on the ideal future situation, which would ensure the implementation of the organisation strategy. They are measurable by indicators such as "value added."

Here according to Armstrong et al. (1992,p.32) the important strategic human resource focus is on, "corporate mission, corporate values, culture and styles, the organisation's philosophy and approach to the management of people, top management and their leadership as a corporate resource and change management."

At a business level, the strategic Human Resources objectives stem from a more detailed description of the corporate objectives. They are specific or narrower in scope. They focus on what needs to be achieved in the interim, and are stated in terms that are pertaining to human resource practice areas. In terms of being measurable, the amount of money saved is used to judge the success or failure of these objectives.

Armstrong et al. (1992,p.32) considers the following as being important areas on which strategic Human Resources should focus on. They are the resourcing,

skills acquisition and development, culture, values and attitudes, commitment, productivity, performance management, rewards and employee relations.

The functional level strategic Human Resources objectives are the narrowest in scope and focuses on the ideal current situation. They are stated in very specific terms that describe what should or needs to be done exactly. They are measurable in absolute terms.

2.5.3.2 Strategic Alignment and Commitment

Strategic alignment occurs when all the elements that are aligned to strategic objectives are aligned to strategic direction. Misalignments cause losses in terms of time, money and resources.

Misalignments can occur as a result of the misalignment of strategy, organisation design and culture. Here if the strategy were not aligned with the organisation design and culture then the desired result of the strategy chosen would not be achieved. Another manner in which misalignments could occur is between the interests of the individuals and the organisation. The introduction of systems, such as the reward system will ensure that the people are rewarded for supporting the organisation's strategy.

According to Elsabé Smit (1992), such reward systems are successful when:

- The people in the organisation understand that change in strategic direction is required.
- The people in the organisation understand what they can do to accomplish the strategic objectives.
- The people in the organisation have a reason to change.

“Strategic reward systems empower people to benefit both themselves and the organisation. When people are rewarded for supporting the organisation strategy, they will do even more to ensure that the strategy succeeds.” Elsabé Smit (1995, p97)

According to Perry et al. (1993), misalignment can also occur, when there is vertical misalignment. This would decrease as the organisational levels decreases, since there are fewer alignments to make, and typically occurs in organisations displaying hierarchical organisation structures and where the top management's instructions are not communicated to management in lower levels.

Similarly misalignment could also occur horizontally between teams, suppliers and their customers. Finally "temporal misalignment" could occur when the actions of individuals and teams are out of sync, resulting in friction between the parties.

2.5.3.3 Major Human Resource Strategies

Rothwell and Kazanas (1988,p.201) state that " Human resource grand strategies establish the long-term direction of the (Human Resources) department's practice areas so as to make it supportive of organisational objectives and plans. In this way, activities and outcomes of the (human resource) department are vertically integrated with each other and horizontally integrated with the organisation."

The following are examples of grand strategies that an organisation could adopt.

a) Growth Strategy

A typical growth strategy would involve:

- Adding tasks to existing jobs or increasing the number of jobs.
- Improving the education, experience, skill and other characteristics of the existing workforce or increasing the number of people.
- Expanding either the range of programmes and services offered by the Human Resources department, or the numbers of people served by those programmes or services.

Walker (1992) states that business strategy requires the development of the organisation and the transformation of its business practices in order to anticipate the competitive needs and respond to increasing business complexity. As a supporting strategy, the human resource strategy concentrates on staffing and changing the way in which staff are managed.

Armstrong et al. (1992) considers human resource acquisition and retention strategies to be basic strategies where questions such as the following must be asked.

- How many Human Resources are required? When and with what kind of skills and abilities?
- Are Human Resources available within the company at present? How available will they be at a later stage within and outside the company?
- What is the retention history of Human Resources? What problems are being experienced by the organisation? How can they be overcome?
- How well are Human Resources utilised? Is there scope for increasing productivity?

To support the overall growth strategy and to also assist in providing some answers to the above, a number of "supporting strategies could be adopted. Such as:

- i) Recruitment Strategy- where the aim of the strategy is to decide how employees of the right quality can be attracted to the organisation.
- ii) Retention Strategy- where the organisation embark on ways to retain existing staff.
- iii) Human Resource Development And Training Strategies-where the long term benefits are of primary concern to the organisation, and where Human Resources development take into consideration the changes in the management practices and develops managers to adapt to these changes. Training strategies take into account the strategy of the organisation to develop new and existing competencies of employees.

- iv) **Reward Policies-** where organisations embark on strategies to reward their employees.

b) Retrenchment Strategy

Another grand strategy that could be adopted by the organisation is the Retrenchment Strategy. Armstrong et al. (1992) describes this as a downsizing strategy, where the aim of the organisation would be to achieve staff reductions with a minimum of hardship and disruption. Human Resources strategies would be designed to ensure that the above process is achieved.

c) Diversification Strategy

Is another grand strategy, and could include amongst other things adding new tasks to existing jobs, adding to the workforce by way of mergers and acquisitions. Human Resources programmes and strategies would ensure that the this grand strategy is successful by evaluating the degree of change faced by each of the companies and ensuring that human resource polices are structured to maximise the benefits from this grand strategy.

d) An Integration Strategy

This strategy would result in the company adding tasks to existing jobs or bringing in new job categories that is related to the organisation, increasing people skills by bringing in these resources from suppliers, competitors, distributors, colleges, etc. Supporting human resource strategies would ensure that these skills are retained by the organisation, and by management policies, building teamwork and organisation effectiveness.

e) Turnaround Strategy

It is the combination of a retrenchment and other strategies, and according to Pearce and Robinson (1994) occurs when organisations gain new strengths by eliminating wastes and streamlining its operations.

f) Motivation Strategy

According to Armstrong et al. (1992) this strategy aims to increase the effective contribution of the members of the organisation by adopting various types of supporting policies.

g) Organisation Development strategy

Ensures that an effective organisation is maintained which will respond appropriately to the changes in its external and internal environment, by making use of the capabilities of its members. Whilst an employee relations strategy for example, according to Armstrong et al. (1992) would develop policies, systems and procedures to maximise the degree to which management and employee will co-operate to their mutual benefit, and minimise the causes and effects of unnecessary conflicts or restrictive practices.

h) Combination strategy

Finally a combination strategy would involve the simultaneous use of two or more human resource strategies in different areas of the organisation at the same time. Since no single human resource strategy will address all Human Resources problems at the same time it is important therefore that human resource strategies that would address most of the issues are identified and implemented.

2.5.4 Summary of the Chapter

In all organisations, there are certain essential factors that are necessary for the organisation to perform. Human Resource's has always featured as one of those essential factors, but has also been relegated to playing a low-keyed supporting role.

In this chapter, the role of human resources as a strategic partner was investigated. Literature reviewed proved that apart from the necessary supporting benefits of the human resources contribution, it can also enhance the

organisations overall strategic plans. This is only possible if it plays a strategic role in the formulation and implementation of the organisation's strategy

The study focused on the contribution and role that strategic human resources management can play in the planning or formulation stage of the organisations strategies. Here the strategic role is very much influenced by its positioning and the relationship that exists between the strategic management team and the human resources function.

What has been clearly identified, however, is that when the human resources function is fully integrated with strategic planning, then the benefits of this relationship manifests itself in the organisation better planning and implementing its corporate strategies. The result of which is the greater success in achieving its goals.

Using the information provided, it is necessary to construct a plan of action, or methodology to apply what has been provided in the literature review and to test it against the organisation under study. In order to do so, a research strategy must be devised that would best be able to extract the information required to conduct this analysis. The following Chapter Three provides this strategy.

Chapter Three- Research Methodology

3.1 Introduction

In Chapter One, a very brief mention was made of the research methodology that would be adopted in the study. The Research Philosophy that would be followed was the combination of both the Qualitative and Quantitative Approaches.

In this Chapter, the Research Philosophy and the rationale behind these approaches are explained in dept. The Research Strategy chosen for the study is also made clear, and the two routes chosen are discussed, that is a case study analysis (Qualitative) and a survey (Quantitative). These methods would form the basis of the research of the organisation.

Finally, the methods for data collection, capturing and analysis to support the research strategies are offered lastly. This Chapter proposes the strategy the methodology that must be followed in order to draw a conclusion on the research question.

3.2 The Research Philosophy

Understanding the perceptions of others on various issues in order to attain a clearer and bigger picture is one of the main objectives of Qualitative Research. This is according to Sanders, Lewis and Thornhill (1997). A Quantitative study revolves around the collection of data, which can be analysed statistically to quantify the results of the study, and can be applied more widely.

It has also been said that the reasoning behind a Qualitative study is to control the field of study as much as possible and contain the attention to as narrow a band of behaviour using an objective and detached action. According to Rudestam & Newton (2001,p.36), "Qualitative implies that the data are in the form of words as opposed to numbers...usually reduced to themes or categories and evaluated subjectively..." and where there is "more emphasis on description and discovery and less emphasis on hypothesis testing and verification."

Whilst the Research Philosophy adopted is a combination of a Qualitative and Quantitative approach, a major portion of this investigation will be in terms of the former, the Qualitative Research. Literature consulted portrays the Qualitative Researcher as one that views the world as to being socially constructed and the science as being driven by human interest. Here, the researcher is a subjective entity, and is a part of the world that he or she is observing. Objectivity is unfortunately impossible to achieve with this type research philosophy.

One of the advantages advocated by this method is, amongst others, that this type of Qualitative research often has greater validity and less artificiality. This is simply because the ability of researchers to observe a phenomena in real-life settings provides them with a deeper more accurate understanding of the study.

According to Ghauri et al 1995, Qualitative methods are most appropriate for research or research problems focusing on " uncovering a persons experience or behaviour," "social and behavioural sciences", understanding human behaviour and functions and studying organisations, groups and individuals."

A critical disadvantage to this type of research is that researchers studying the same phenomena may often arrive at different conclusions. The subjectivity of the researcher and the poor reliability of the findings influence Qualitative research.

On the other hand, the researcher that attempts using a Quantitative Research philosophy, reliant on the use of numerical measurements and statistical analyses of measurements to examine and explain a social phenomena. For this type of researcher, reality is viewed as a phenomenon that can be observed and measured. Like the Qualitative research, Quantitative research also has its advantages and disadvantages.

One of the main advantages of this system is the objectivity and reliability of the findings of the research. However, as a disadvantage, it best shows itself when it tries to explain social sciences and business research. Social phenomena cannot accurately be measured, and hence the validity of the findings are greatly reduced

However as mentioned in Chapter One, utilising the strengths and weaknesses of both approaches can result in a combined research approach that allows for the increase in reliability and validity of the study.

Seeking insights offers the opportunity to identify characteristics and features of the problem. Qualitative research, according to Ghauri et al (1995), allows for the use of integrative powers of research to draw an integrative explanation. This study will adopt a combination of both these approaches in the interpretation of its findings.

3.2.1 The Research Strategy

Examples of Qualitative research strategies include a Case Study, Action Research, Grounded Theory and Ethnography approach.

For the purposes of this research, the main research strategy adopted is the Case Study approach to answering the research problem. Case study research designs involve looking at small groups, projects, institutions or companies. They draw on multiple sources of information and tell a story about the problem being experience. This ensures that the social process is created for to allow for the possibility of introducing more specific questions using tightly structured methods.

However, as mentioned earlier, the use of both the Qualitative and Quantitative philosophy in this research will be undertaken. One of the strategies of Quantitative research philosophy is 'Surveys'. Surveys require a sample to be selected from a population and studied. The results are inferred about the population.

The primary function of surveys is to determine the perceptions, attitudes, opinions, attitudes and preferences of people in the interest of revealing a trend of value to the researcher. Where a sample is representative of the larger population, it is possible to use statistical techniques to assess the applicability and generalisability of the findings to a larger population. In order to achieve this information, surveys make use of data collection instruments such as questionnaires and interviews to obtain the data required.

For this study, a combined research strategy involving both Case Study and Survey has been adopted.

3.2.2 The Research Purpose

The above research design can also be classified in terms of their purposes. The following common forms of research designs are available and this is defined mainly on the basis of their broad purpose:

- a) Causal-comparative research- using an experimental or quasi-experimental design to study closely comparable groups- to establish differences; reasons for these differences and uncover causal links.
- b) Co-relational research- discovering the relationship between variables through the use of co-relational statistics.

- c) Explanatory research- explaining the relationship among variables and to identify the connected-ness among the components of a phenomenon.
- d) Descriptive research-describes the characteristics of an existing phenomenon, but also examine the any patterns of related behaviours.
- e) **Exploratory research- primarily concerned with finding out what is happening.**

3.2.3 The Research Design

An Exploratory Research Design has been chosen using a combined Case study and Survey strategy. This design has been chosen since the “problem” is unstructured and not clearly understood and only through examining related literature and theories can we propose any possibilities.

3.3 The Sampling Cycle

In social sciences research, the sample may be divided into three specific sub components:

- a) Invited Sample-all elements of the population are selected to form the sample and invited to participate in the study.
- b) Accepting Sample-those elements of the population that accepts the invitation is called the accepting sample.
- c) Data-producing sample-the actual portion of the accepting ample that provides data for the study.

3.3.1 Sampling

Due to conditions under which the researcher has to conduct his research it may not be practical or feasible to be able to research all the appropriate subjects for a research project.

The process of selecting a fractional part of the whole relevant group or population of appropriate subjects is called sampling. The principle followed is that by selecting some of the elements of the total population and focusing the

research attention on this group, the sample, it is possible to infer the findings of the study to the whole population of interest.

There are two broad types of sampling: Probability and Non-probability.

Probability Sampling

In this study, the probability sampling technique is used since the entire population is known and will be used in the research process. The population targeted for the survey portion of the research using a questionnaire as the primary data collection equipment, is the entire staff of the Eastern Regional Offices, of the South African National Roads Agency Limited.

Saunders et al (1997) defines probability sampling as the deliberate choice of the number of people who are to provide you with the data from which it is possible to generalise and draw conclusions from the findings from the sample onto the population. Every element in the population has an equal probability of being chosen once they are included in the sampling frame.

3.3.2 Sampling Technique

There are four types of sampling techniques or designs that can be used if the probability sampling method is used. They are: Simple random sampling, Systematic sampling, Stratified sampling and Cluster sampling.

Simple random sampling has been chosen as the technique of drawing a sample of the population for this research. With this technique there is no bias or predetermination in the selection process. Here every member of the chosen sample has an equal chance of being selected, and since the population is representative of total employees of the SANRAL, it is possible to infer the findings on the larger population.

3.3.3 Sample Frame

This is a list that identifies all the sample units in the population. A complete list of all the employees in SANRAL was compiled. This represented the population.

3.3.4 Sample Size

Sanders et al. (1997) stated that the larger the sample size, the lower the likely error in generalising to the population. This is in agreement with Salkind (2000,p96) who suggested that the following principles be adhered to when determining the size of the sample:

- a) The larger the sample (within reason) the smaller the sampling error, and the higher the representativity of the sample.
- b) The selection of the sample size must be large enough to ensure that it is possible to generate statistically sufficient numbers. This would apply if the research involved the analysis of sub samples with the sample, such as gender, age etc.

However, given that the total number of employees of the SANRAL, including Senior Management total only 127, and the entire staff of the Eastern Regional offices total 24 employees, it was decided that all the employees of the Eastern Regional Offices would be invited to participate in the study. The researcher is a part of this group, and therefore will be excluded. Another employee was on leave during this survey. Hence the total number of employees sampled is 22.

The reasons for this are as follows:

- a) Representativeness- the staff at this office is relatively representative of the total population, not only in terms of race and gender but also in terms of age, experience and most importantly, contribution to the strategic management processes.
- b) Convenience- the other three regional offices and head office are geographically a distance apart from each other.
- c) Cost effectiveness- it was logical in terms of finance and time to restrict the sample size to one regional office.
- d) The adequacy of sample results- the proper use of good sampling techniques maximises the extent to which samples represent the population, and therefore the results are generalizable to the whole population.

3.4 Data Collection Methods

The two most commonly used primary data collection methods are the questionnaire and the interview. Since all research is generally concerned with obtaining answers to questions, the questionnaire and interview are data collection instruments that enable the researcher to pose questions to the subjects of the identified sample in search for the answers to the research questions.

3.4.1 Measuring Instruments

Saunders et al (1997) says it depends to a large degree on the type of circumstances, the amount of information required, the speed thereof and the accuracy as to which of the many measuring instrument the researcher wishes to quantify his variables.

The two measuring instruments that were considered for this investigation were:

- 3.4.1.1 Questionnaires
- 3.4.1.2 Unstructured interviews.

3.4.1.1 Questionnaires

Questionnaires are one of the most widely used survey data collection techniques. They are used most widely in surveys with descriptive or exploratory purposes. They can also be used effectively in studies with experiment and case study research strategies.

Since each person is asked to respond to the same set of questions, questionnaires provide an efficient way of collecting responses from a sample. Frey and Oishi (1995) have said that the standard questionnaires are designed to reduce the error that could be attributed to the interviewer. This is accomplished by scripting the question format, order and defining in detail how the interviewer is to move through the questionnaire.

The writer prefers to self-administer as a greater role can be played in enhancing respondents question and clarifying responses. This has a further advantage over mailed questionnaires, which may be filled in by someone else of may never be returned. Interview bias can be avoided and the response rate will be very high.

Saunders et al (2000, p.280) maintain that is generally good practice not to rely solely on questionnaire data but to use the questionnaire in conjunction with at least one other data collection instrument. An interview was chosen as another data collection instrument to supplement and complement this process.

a) Designing the questionnaire

In the design of the questionnaire there were five main issues that required attention. These were as follows:

i) Categories of questions

Some of the common categories of questions asked were:

- **Socio-demographic items:** These were asked to develop a profile of the respondents. Questions related to gender, age group, occupation and working experience were asked.
- **Orientation items:** These were included to orientate the respondent on the core issues relating to research and to test their level of grasp of the topic area that followed.
- **Behavioural questions:** These were included to measure attitudes, beliefs, opinions, motives and behaviours. Attitude type questions record how respondents feel about something; belief and opinion questions record what respondents believe or think is true or false. Questions that focus on motives and behaviour variable elicit data on what individuals (or their organisation) did in the past, do now or will do in the future, and the motives for these behaviour.

- **Content-related question:** to elicit data on the major purpose and content area of the research topic.

ii) Number and Content of the questions

Research evidence shows, according to Cooper et al (2003), that the number of the questions does have a bearing on the response rates. They mention that shorter questionnaires do not necessarily mean higher response rates. However some researchers also make the mistake of including too many questions in their questionnaires.

One of the reasons given for this is that many of the researchers do not have absolute clarity about their research objectives. The ability of the researcher to provide questions that are relevant, concise, well constructed with a clear purpose will generally result in a better participant response rate and data.

Bearing the above in mind, 30 questions were included in the questionnaire. Other characteristics associated with the formation of good research questions were kept in mind.

These questions were divided into four sections for ease of data collection and as well for the easy interpretation of the data.

Section A: Comprised of 5 questions and were “socio-demographic” type questions. The questions were structured in a “single-option response” format, and required a “yes” or “no” answer and tick the most appropriate response.

Section B: Comprised of 5 questions and were “orientation” type questions. The questions were structured using a “multiple choice response” format, and required selecting either a “true”, “false” or “not sure” option.

Section C: This section was structured so that it could elicit a particular response from the sample:

Question Nos. 1 to 10: Comprised of 10 questions and were “behavioural” type questions. The questions were structured using a “multiple choice response” format, and required selecting either a “strongly agree”, “agree”, “strongly disagree” or “disagree” option and a “not sure” option.

Questions Nos. 11 to 20: Comprised of 10 questions and were “Content-related” type questions. The questions were structured using a “multiple choice response” format, and required selecting either a “strongly agree”, “agree”, “strongly disagree” or “disagree” option and a “not sure” option.

Section D: Comprised of an open request to all participants to comment on the subject matter, and also make any relevant suggestions

Section E: In this section a list of the definitions used in the survey questionnaire was included to assist those that were not too familiar with the terminology used.

Section F: Each questionnaire had a sheet that allowed for the coding and tabulation of the data from the questionnaire for ease of capture onto a spreadsheet. This is discussed further under iv) below.

In all 30 questions were put across to the participants.

iii) Pilot Testing

A pilot test of the questionnaire was conducted before finalising the questionnaire. The purpose of this test was to:

- reveal any flaws of the questions, and suggest possible changes,
- determine the clarity of the instructions and questions- this also assisted in minimising the error rate and revealed the adequacy of the data for the research questions,
- determine the time required to complete the questions.

The test was conducted with three participants, and the researcher was present to answer any queries. An open feedback session was held with the 'pilot group' for any suggestions on improvement to the questionnaire.

iv) Explaining the Purpose of the Questionnaire

Participants were handed their questionnaires at a weekly social gathering. It was decided that this informal meeting place would be ideal to not only distribute the questionnaire but also to briefly explain the purpose of the questionnaire. This was done to orient the participant of the purpose of the questionnaire as well and also the basic aim of the study.

A covering letter stating the very same information was also included and attached to the questionnaire.

v) Validity and Reliability

Frey et al (1995) talks of the need for data quality to have the following characteristics in order for the research methodology to have any integrity.

- Validity-accuracy, which survey measures.
- Reliability-consistency of measurements.
- Generalisation-external validity

Validity

Saunders et al (1997) says validity is concerned with whether the findings are really what they appear to be about, whether the researcher is actually measuring what he has set out to do.

The threats to validity using Ghauri's et al (1995) analysis, were perceived to be the following:

History

Refers to specific events, external to the study, that occur at the same time and that may affect the response.

At the time of the study, the participants were aware that the appointment of a new Human Resources Executive was made a few months earlier, and thus their responses could be affected by the fact that this Executive may be more receptive to addressing their concerns. Hence, would it be appropriate to list a problem as “serious” before the new person had a chance to “rectify” it, could mean that their response to certain questions might be affected.

Test Effect

In a “test effect”, the test or experiment could affect the participant’s response.

Some of the participants could perceive this test as a means to highlight their appreciation or concerns, frustrations etc. and thus could be over zealous in trying to answer the questionnaire, in such a manner so as to skew the outcome, either positively or negatively.

Reliability

Ghuri et al (1994), Cooper et al (2003), define reliability as to the consistency or repeatability of the measurement of some phenomena.

Easterby-Smith [Saunders et al (1997)] stated that by considering the following two questions, reliability could be assessed:

- On different occasions will the measure yield the same results?
- Will different researchers at different times yield similar observations?

The threats to the reliability of the study could be biased when consideration is offered to the questions mentioned above. With reference to the concern mentioned with the issue of validity above, specifically, “History”, another questionnaire made at a different time may not realise the same results. Cooper et al (2003, p.236) mention that “if a measurement is not valid, then it hardly matters if it is reliable.”

vi) Data Coding, Capturing and Analysis Theory

Data Coding: As mentioned above, each questionnaire allowed for the capturing of data onto a spreadsheet. A simplistic code was used for this purpose. The spreadsheet was copied and printed as Section F. Each questionnaire was allocated a letter of the alphabet, commencing from the letter "A" to "E". For questions that participants were not sure off, the letters "NS" was used.

On completion of the questionnaire, the answers were copied onto this spreadsheet. They were checked and double-checked to spot any errors as a result of copying them on to the summary page.

Data Capturing

On completion of the summary pages of each questionnaire, these answers were entered onto a computer spreadsheet. The results required were not meant to generate any or determine statistical data, but would be used to validate and corroborate any findings on the case study as well to substantiate any of the arguments. The main reason that a normal spreadsheet was used was to allow for quick and accurate checking of data, and the ability to convert this data in graphs where necessary.

Data Analysis

As mentioned above, the analysis of the data would be used in conjunction with the findings of the case study. Each of the sections in the questionnaire has been analysed to try and describe a particular pattern of thought or thoughts amongst the employees. Section C in particular has been structured so as to focus on answers that will assist when applying the model against the case study.

The strategy chosen for the data would require that Quantitative data is used interchangeably during the finding stage. Chapter 4 would make a distinct separation, where necessary, between a Quantitative analysis and a Qualitative analysis.

3.4.1.2 Interviews

As mentioned earlier, questionnaires and interviews are the most widely used primary data collection methods. There are three methods of executing an interview: persona, telephonic or by mail.

Interviews are generally associated with typically qualitative research. The interview is a form of data collection that is very common in descriptive research such as surveys, but it can also be used to collect valid and reliable data in other types of research, such as Quantitative, depending on the type of interview.

With interviews the researcher is able to make greater use of open-ended type of questions, and it is possible to end up with large and potentially unlimited information. This is as a result of the interview situation. Since the interview, which is often face to face, is obtained through direct verbal interaction, the researchers is able to follow up on verbal lead gained during the interview, and thus is able to obtain more data and greater clarity. In comparison to other methods of data collection, the interview situation permits much greater dept.

a) Types of Interview

Interviews can follow a highly structured, structured, semi-structured or unstructured, open-ended style. Ghauri et al (1994) lists the advantages and disadvantages of these styles, and also recommends which approach to consider.

The interview type will normally be based on the research design adopted. For quantitative studies, the interviews are highly structured, as it uses, only closed questions with pre-coded answers. On the opposite end of the continuum, one could use an unstructured open-ended question, and is best suited for studies that use a *Qualitative* approach to the study.

b) Design of the Interview

This study has adopted a semi-structured style of interview, since it will provide the respondents with some closed questions, but will rely on data posed from a general discussion leading from the closed discussion.

Five closed questions that are relevant to the study will be asked at the interview. It is expected that verbal lead on will direct the study further.

c) Number of Respondents

In order to gain a deeper understanding of the research problem, it was decided, that four subjects be interviewed. The respondent's chosen are as follows:

- Two from the Eastern Regional Office-Senior and Middle Management.
- Two from Head Office- HR Executive and Middle Management in HR Division.

d) Pre-Interview

An electronic mail seeking an audience with the respondent was sent out to all four subjects. This invitation contained the nature of the interview, and requested a confirmation as to whether this was acceptable or not. All four respondents indicated telephonically and verbally that they would be willing to participate in the study.

The interviewee was also informed to indicate whether a recording of the interview was possible. The respondents were also assured of confidentiality and that their opinions and remarks would not be misquoted or used out of context.

e) Post Interview: Data Collection, Data Capturing and Analysis

The data collected from the interviews was done by means of tape-recording the interviews, and by making short notes during the interview process. The data was used interchangeably, during the discussion of the case in Chapter Four as well during the discussion of the findings in Chapter Five. Some of the data was also

used to reach recommendations to the problem and is found in Chapter Six. A recorded transcript of these interviews could not be achieved due to the expense and the technicality of this process, which was outside the capability of the researcher.

3.5 Summary of Chapter

The approach to this study in terms of the research philosophy adopted by the researcher as well as the research strategy chosen was discussed in dept. The merits of the various measuring instruments and methods of data collection were also discussed in this Chapter and reasons given for the final choice.

These instruments lend credibility to the investigation as the results so obtained were free from bias, improper data collection and were valid reliable given the circumstances.

The choice of the sample was discussed. The formation of the questionnaire and the interview, and the limitations thereof, were brought to attention of the reader. Chapter Five will provide the results, analysis and the interpretation of the case study, interview and questionnaire. However, prior to this, it is necessary to seek an understanding of the organisation itself, and event or factors contributing to the state of the organisation. Chapter Four that follows aims to do this

Chapter Four - Background of Organisation

4.1 Introduction

In order to examine the role of human resources management in the SANRAL and its contribution or significance to the organisations strategies it is necessary to understand some of the contributing factors that have impacted on this role.

One of the major impacts has been the traditional role of HR Management in the workplace. Always seen as playing a secondary role to more important processes within the organisation, the belief by senior management as to its significance has seen HR Management relegated to the bottom of the list of priorities. This is no more visible than it is in a Government environment.

Many employees, including the CEO and most of the senior management team were ex-Government employees. SANRAL was also created to serve as an implementation arm of Government and operates as an organ of state. Therefore the impact and the role of HR on the public service is reviewed first and foremost as this sets the scene of what is to follow. This will also allow for a better understanding as to why SANRAL's management has adopted its current stance to the strategic role of HR.

Finally the creation of the SANRAL organisation is discussed. The information provided here allows for the reader to understand "why" the organisation was created, its structure and its role. At this point, however, how the organisation functions and operates and its subsequent impact on human resources is excluded as this forms a part of the researcher's findings in Chapter Five.

4.2 Brief History of the Government of South Africa

4.2.1 Pre-Democracy Period

Prior to the democratic general elections in 1994 the House Assembly, representing the White minority population of South Africa, occupied the seat of power in Parliament. Minority Coloured and Indian people were allowed “limited participation” in the rule of the country via regulated powers through the House of Representatives and House of Delegates, respectively and this apartheid Government was commonly referred to as the Tri-cameral Party system¹. The majority of the Black population was totally excluded from this Parliament. They were governed through State-run Institutions, Departments and Homeland Based systems

4.2.2 Typical Government structures in the Apartheid Government²

The Government ruled and controlled the country and the various sectors of the economy via its powerful National Departments. The Provincial Governments and Local Authorities also assisted the National Departments. National Ministers, accountable directly to the Prime Minister and State President, were appointed to each National Department, and they presided over a hierarchical structure that comprised their Department.

The Tri-cameral Party system gave rise to the creation of individual Departments for each population group. For example Whites, Coloureds and Indians each had a Department that catered for Social Welfare needs of their population group only. Blacks also had a separate Department catering for their needs.

These structures extended through almost every sector of Government creating a duplication of services and the number of civil servants four-fold. This placed a huge burden on the financial resources of Government.

Of more concern were the side effects resulting out of this system. One of these was the impact it was creating on the public service^{12, chapter 5}. Each race group began developing their own style of working and interacting with its own

members of the population, and a unique and different working culture within each public service was unwittingly or not, fostered by this system. This further entrenched and divided the population.

A structure that comprised many organisational layers was common. Given the great number of people employed by all the Departments, an hierarchical structure with its bureaucratic style actually ensured that the wheels of the organisation kept on turning, albeit at a huge cost with the questions of efficiency and effectiveness thrown in for good measure⁹, p.15.

4.2.3 Post Apartheid Period

Many laws and policies that supported the apartheid Government were soon scrapped, and changes to the country began with changes to the Government structures itself. The Departments making up the National Government were the first in line to undergo this transformation³.

To complicate matters Government had to use HR staff and Management that were de-motivated, ill trained and poorly equipped to facilitate this process⁴. The concerns and reservations of the civil servants had to be addressed as well. This was the task that faced the senior management of the HR Division.

1. Tri Cameral Party System-<http://scnc.ukzn.ac.za/doc/MEDIA/South.doc>
<http://www.udm.org.za/pressrelease.htm>

2. Apartheid Government- <http://www.anc.org.za/ancdoc/history/>
<http://www.rebirth.co.za/apartheid.htm>
The Truth and Reconciliation Commission Website : <http://www.doj.gov.za/trc/>

3. White Paper on the Transformation of the Public Service.

4. White Paper on Public Service Training and Education.

4.4.2 Human Resources Management of the “New” Government Departments

HR Management took on a whole new persona as the reconciliation process started. For many HR staff, the change in spirit and the challenges placed before them provided them with a chance to contribute to the changes taking place⁵.

Internally as the opportunities became available, a gradual increase in Black staff taking on more senior positions took place. Many were qualified but held junior positions in the apartheid Government due to the systems in place.

Government also saw the need to employ professional HR Managers that would be able to bring in professional methods and processes into place⁵. New appointments to the HR Management Divisions forced new thinking about the management of a more representative staff structure. Many changes began to take place immediately.

a) Problematic Areas identified within HR Management

The previous Human Resources management processes were designed to deal with a large volume of staff that was synonymous with the “old” Public Sector. As a result certain HR Management processes could not adequately cater for certain aspects that were evident in the public sector.

The previous HR Management processes in place ensured that problems experienced by the civil servants regarding HR matters were dealt directly by the Line manager, Division Head or Departmental Head of a Section. These problems were only communicated, depending on the severity to the HR Department. Many civil servants were not aware nor did they understand their rights as employees of Government.

5. White Paper on the Transformation of the Public Service.

6. White Paper on Public Service Training and Education.

7. White Paper on a New Employment Policy for Public Service

9. Human Resources Development Strategy for the Public Service 2002-2006 1st Edition

12. Democracy for delivery: Transforming the public sector, The Report of the September Commission on the Future of the Unions, to the Congress of S.A Trade Unions, August 1997, <http://www.cosatu.org.za/congress/sept-ch5.htm>

Career development in its conventional form was almost non-existent previously. Employees' careers^{9, p.16}, and the progress thereof were governed chiefly by factors such as the ability of the head of the department to motivate for more staff to assist with certain work function. Other factors such as resignations, transfers or retirements drove the recruitment processes. Nepotism, favouritism, unfair promotions and bribery for posts and positions in certain Departments were evident, and to a large degree ignored.

HR Management processes did not address these unfavourable situations. The failure of proper HR Management processes to adequately determine the needs of the Government was one of the chief causes of the bloated public service. This accounted for the very large percentage of civil servants in Government.

A lack of proper HR Management processes encouraged the poor selection of employees. Whilst remuneration initially was not the main attraction for a career in the public service, stability, security and reasonably fair working conditions attracted many people to join the Departments, it later became a problem when civil servants started demanding better pay and bigger increases.

Poor HR Management also caused dissension amongst civil servants in areas such as "Reward Management" systems. These "rewards" were determined on a very subjective basis. Managers of the Department or Division were instrumental in deciding who received a bonus or not. Many other factors such as those mentioned above ensured that this process be deemed unfair upon reflection.^{9,p 16}

The civil servant worked in a culture that promoted poor working ethics. Coupled with the fact that it was difficult to retrench a civil servant, many adopted a poor attitude to their work. Divisions worked in isolation from other divisions within the same Department^{9, p16}. Little empires grew within these divisions and un-competitive habits were encouraged. Human Resources Management systems did little to identify or correct these problems.

1. White Paper on a New Employment Policy for Public Service

9. Human Resources Development Strategy for the Public Service 2002-2006 1st Edition- The Hon. G. Fraser-Moleketi, Minister of Public Service and Administration.

Teamwork and players were frowned upon, since this threatened the existence of empires. The ability of members of different divisions to work together as a team was impossible due to the organisational structure^{9,p.16} in place and other factors^{9,p.16} influencing the civil service.

Civil servants believed that the HR Department and HR Personnel existed to serve their needs from an administrative perspective. They saw HR Management as processes that typically revolved around aspects such as payroll administration, personnel's personal requests, leave application, approving housing subsidies, medical aid, pension funds, etc. Many civil servants confused HR functions with the processes that was HR Management. The in-ability of the HR staff to deliver on any of the above mentioned, as a result of poor HR Management resulted in bad relationships and perceptions being formed between the HR Management and employees.

Regional offices, geographically a distance apart from their HR Divisions, used their own administrative staff as a "post-box" for queries, and as a "go-between" for staff and HR staff. This was as far as what HR involvement took place at these levels.

Human resources management processes worked with the apartheid Government's racist policies that nurtured and grew a work force in a culture that produced more bad than good work ethics and attitudes. This also drove a wedge between healthy interactions of races under normal working conditions and distorted the true benefits of a proper HR Management system

4.2.5 The New Public Service⁶

In the "old Government", white personnel held almost all of the very senior posts and posts from middle management upwards. The changes in Government saw the implementation of the affirmative action policy¹¹ and many of these personnel were offered the opportunity to be transferred, retire or re-deployed⁶.

9. Human Resources Development Strategy for the Public Service 2002-2006 1st Edition- The Hon. G. Fraser- Moleketi, Minister fir Public Service and Administration.

For many civil servants, mainly Black, the new government changes offered many opportunities, as more senior positions became available due to the affirmative action policies adopted within the Departments.

The restructuring and alignment of many jobs and the retrenchment strategy adopted saw a decline in the number of civil servants⁶.

Those that remained behind had their own personal problems to deal with in the form of dealing with people from other race groups, different working cultures and racism to name but just a few¹². The working culture had to change to suit a more service delivery orientation approach⁷. Performances of tasks were scrutinised and the “slackers” in the section became know to many.

Some departments formed cliques and groups, such as the Public Service Association that catered specifically for “white civil servants”, and held onto certain ways and beliefs they carried over from their “old” departments. HR Management, slowly began to implement programmes⁸, work shops, conferences etc, in order to assist employees over-come their reservation and accept the new working-culture.

“Frightening”^{12, chapter 5} was the way that some civil servants expressed their feelings in the way that the changes were taking place within the government departments. Instrumental in these change programmes where the many senior management members, who tried to instil a new working environment.

For some employees, the changes that were taking place seemed natural and acceptable, but for others, it was only the security of the position that prevented them from resigning from the public service.

6. The Public Service Act of 1994

11. The Employment Equity Act

HR Management process⁸ now became more involved in trying to remedy the legacy and remnants of apartheid of the Governments public services. Some Departments were more pro-active than others in bringing in programmes to facilitate the changes taking place. Others used the employment of Black personnel as the chief means to address these imbalances, with not much consideration of the cultural changes that also required attention.

In this light, the National Department of Transport also used the opportunities available to address the problems associated with the “revamped” civil service. A major reconciliation process, A Cultural Diversity Workshop took place in 1997 and was initiated by National Government to address and discuss the fears and concerns, and methods on how to overcome the problems associated with the changes taking place.

Whilst changes did take place, certain departments still had white management in place due largely to the skills/experienced they possessed. New Black personnel that joined the departments were placed in lower management positions first and foremost, as it was the intention that they be trained and developed into careers within these departments.^{9 and10}

Some Black appointments, due to their level of experience and qualification were given the opportunity to enter into senior positions immediately. Like many other departments within the National Government, appointments to key strategic positions were occupied by mainly political appointees.

These positions were filled by persons not only loyal to the “struggle and liberation” of South Africa from the previous apartheid Government, but passionate and driven to utilise their skills and capability to create a democratic and successful nation. These people understood the philosophy and systems approach of the new order and was willing to enhance delivery.

6. Public Service Act of 1994.

7. Batho Pele White Paper

11. Democracy for delivery: Transforming the public sector, The Report of the September Commission on the Future of the Unions, to the Congress of S.A Trade Unions, August 1997, <http://www.cosatu.org.za/congress/sept-ch5.htm>

A “perception” existed by many people, both within and outside the public service would argue that the positions occupied by these persons were not done on merit, but in line and together with the Governments affirmative action policies and “preferred selection criteria”. Still it opened up a new philosophy of thinking and behaving within Government circles. Many of the past and some current leaders in Government, whilst lacking certain essential skills, more than made up for these deficiencies by demonstrating important leadership qualities that was needed at that time.

This would be beneficial, in order to change not only the way that Government operated, but also in the way that Government, behaved and responded to the numerous changes that was beginning to take place, at a pace that was quite fast for a newly developing democracy. The culture amalgamation-taking place within the way organisations operated in South Africa, more than ever changed the manner in which these “new” South Africans had to work with each other.

4.3 Creation of the Para-statal and “Organs of State” Organisations

The “new” South Africa Government inherited an economy that was saddled with the debt as a result of the economic policies practiced by the previous government. The effect of sanctions levied against the previous Government, by most of the countries of the world as a result of these apartheid policies, action by Trade Unions, low and non-existent investment by foreign companies, poor labour practises and shortage of skilled labour were some of the factors that exacerbated the poor economic performance of South Africa.

Radical macroeconomic policies were adopted by the New Government to try and correct the past failures and to ensure economic growth. Two key elements were identified to facilitate stability and growth, namely fiscal discipline and monetary conservatism.

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8. White Paper on Human Resources Management in the Public Service.
 9. Human Resources Development Strategy for the Public Service 2002-2006 1st Edition- The Hon. G.Fraser-Moleketi, Minister fir Public Service and Administration.
 10. Launch of Human Resources Development Strategy-speech by the Minister of Labour, Mr. MMS Mdladlana, 23 April 2001; http://www.labour.gov.za/docs/sp/2001/apr/23_mdladlana.htm

In 1996, the South African policy makers embraced these neo-classical principles and a Growth, Employment and Redistribution (GEAR) strategy was adopted.

This non-negotiable strategy of GEAR, that enforces government implementation without consultation adopted one state strategy of "privatisation through restructuring of selected states assets." The apartheid Government had practiced its protectionist policies with regards to public sector services and assets and maintained in-efficient departments at the expense of the taxpayers.

While the trend globally was the privatisation of state resources, it was only with the "new" South African Government in 1994 that the principles of privatisation was fully explored and cudgels taken up. More and more state owned resources, services, investigated the possibility of privatisation. Some Unions^{11, ch5.} believed that the crisis in the public sector with regards to service delivery was being used by some within Government to embrace privatisation.

These Unions rejected that belief since they contended that the end result would be higher prices without an improvement in service delivery. A perception also existed that privatisation would create monopolies and job losses. However, the trade Union COSATU conceded that "the privatisation of state assets might be supported under certain conditions, e.g. that the state remains a major shareholder. That there were no job losses and that proceeds from the sale of state assets were used for the development and not simply to reduce government debt".

Government was under pressure to ensure that when it did allow privatisation to take place, it would be able to ensure that this did not come "with a price". Departments that were to take this route would also have to show that they were quite capable of surviving in the open market, and be able to deliver on its promises.

Thus the burden place on those public bodies that became private was enormous. It was under these trying conditions that the National Department of Transport, agreed with Government to create organs of state from its various

directorates and retain, an effective, albeit streamlined force of employees whose main function thereafter would be that of policymaking.

4.4 The South African National Roads Agency Limited

The South African National Roads Agency (“SANRAL”) ^{12 +13} was established, by an Act of Parliament, in April 1998. This act, In line with Governments commitment to transform the Public Sector, signalled the move for the National Department of Transport to create a company to serve as an implementation arm of Government.

Accordingly, SANRAL was to operate as an independent statutory Company at arms length from the Government, and it went about designing the company to perform so. SANRAL was registered as a company in terms of the Companies Act, and governed by a Board of Directors, with the very same board being accountable to its only shareholder, the Minister of Transport, as prescribed by the SANRAL Act No 7 of 1998.

The purpose of the company, in essence, was to maintain and develop South Africa’s 7200km National Road Network and to manage assets with an estimated value of more than R5 billion. ^{12 + 13}

A significant aspect of this transformation of the role of Government in road management “is the recognition of the disparate demands and needs of the country and the people, and the apportionment of responsibility in addressing them to the party best able to deal with it.” ^{12 +13}.

12. The Horizon 2010 Document, 2nd Edition: Published by the South African National Roads Agency Limited

13. The Declaration of Intent Document-2002-2005: Published by the South African National Roads Agency Limited

4.4.1 Organisation Structure

SANRAL is made up with a Head Office component consisting of Corporate Services, Financial Services and Engineering Services based in Pretoria, with four Regional Offices based in four different provinces, the Gauteng, Kwa-Zulu Natal, Eastern and Western Cape Provinces. The Chief Executive Officer, CEO, appointed by the National Minister of Transport, is given the task to manage the organisation.

The CEO is in turn supported by his Senior Management team, which consists of the Corporate, Finance and Engineering Executive based in the Head Office, as well as the Regional Managers from each of the Regions mentioned above.

The majority of the staff consists of professionals from an engineering background, and fall mainly under the Engineering Services. The other two services, Corporate and Financial, also consist of predominantly professionally qualified staff, and the remaining administrative staff-provide essential support to all the services. SANRAL's structure can be identified according to Galbraith (2002, p.164) as being a Hybrid Functional/ Geographical structure with Functional Integrators and teams.

In relation to the portfolio of work that SANRAL manages, the core staffs are, in essence quite small. There are approximately 127 people to manage the entire National Road Network in South Africa. SANRAL utilises the expertise of many Consultants from the Engineering Industry, from the evaluation and design, to supervision of projects. Non-core functions are also outsourced to specialists in the industry, such as laboratory testing of materials, drafting of drawings, traffic monitoring, toll operations and maintenance, etc.

The locality of the Head Office and the various Regional offices are shown in Table 4.I. overleaf. Table 4.I also display the different geographical areas that each Regional Office is responsible for.

The Head Office deals mainly with policy matters hence do not manage any particular road or area directly. However, the Regional offices will be able to use the expertise of the staff at the Head Office for any of their projects should the need for it arise.

Table 4.1

Type	Location	Province	Responsible for roads in
Head Office	Pretoria Central	Gauteng	
Northern Region	Menlyn, Pretoria North	Gauteng	Gauteng & Mpumulanga Province
Eastern Region	Pietermaritzburg	Kwa-Zulu Natal	KZN Natal and Free State Province
Southern Region	East London	Eastern Cape	Eastern Cape Province
Western Region	Cape Town	Western Cape	Western Cape Province

Table 4.1: Extent of SANRAL's Responsibilities

4.4.1.1 Regional Office Structure

Each Regional Office is also made up of three components: Financial and Administrations Division making up one component, and Design and Construction Division and Operations and Maintenance Division making up the other two components. Divisional Managers manage these Divisions directly. See typical Organogram structure of a regional office attached as **Appendix 3**.

4.4.1.2 The Organisational Design

Holding this all together is the organisational structure as shown in Figure 4.1 overleaf. In its diagrammatic form this structure looks very unconventional The Regions are displayed as "planets" and the Head Office the "Sun". The Regions Planets are shown with "Moons" orbiting around them and these signify the three components that make up the main disciplines of the Regions. Head Office's Sun

is shown as three main components inter-linked with each other to make up a whole.

In a conventional format this organisational structure can be translated to representing a “flat structure.” The logic behind the use of this structure is based on belief that it transcends bureaucracy, but uses the internal capabilities of the organisation to achieve its goals. Another reason offered for this design is to facilitate the use of “competencies and activities found in the different departments within the organisation”^{12 + 13}.

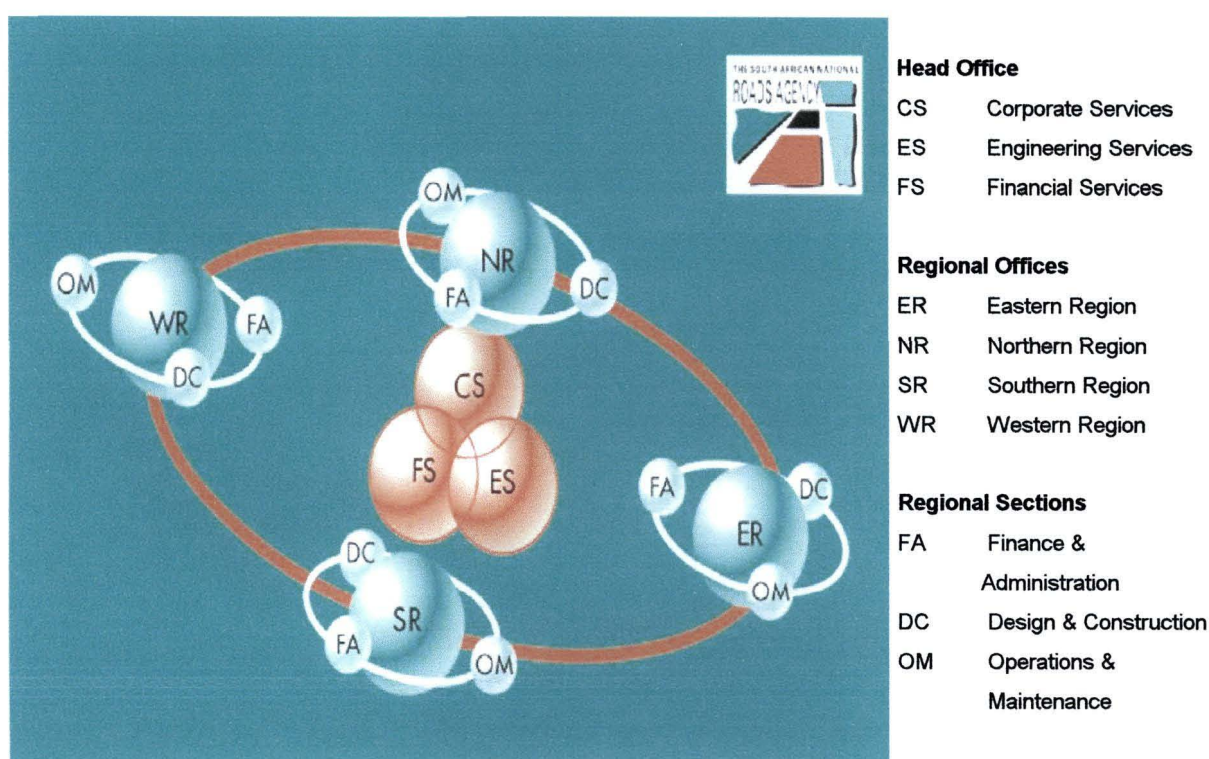


Figure 4.1: The Organisational Structure of SANRAL

Whereas the use of teams are the norm in certain flat structured organisations, SANRAL employees operate in “clusters”, which “are constituent of a combination of talent and skills so that expertise, vision and experiences are harnessed into a holistic, multi-disciplined approach to our core experience”^{12 + 13}. In other words, clusters operate within the whole organisation and not in a specific region. The employees with common or similar tasks are grouped together to operate share and transfer knowledge

4.5 A Financial overview of the SANRAL Organisation

Being the implementation arm of Government, SANRAL relies heavily on funding from Government to carry out its mandate. Approximately R1 billion is allocated from the central government budgets to the organisation to carry out its functions, on an annual basis. As a result of the organisation being mandated to extend its scope of responsibilities, as detailed in their Horizon 2010 Document, a review of the current allocation is being investigated.

The organisation is subjected to regular audits from the Auditor-General as to the use of this “public money”, and this is carried out in terms of the various Acts¹⁴ listed below. The Auditor-General presents this report to Parliament on an annual basis.

In terms of the Acts¹⁴ mentioned below, the SANRAL’s Board of Directors are also responsible for the provision of reports regarding the financial integrity of SANRAL. These are highlighted in SANRAL’s Annual Report.

SANRAL also uses alternative strategies and sources of finance for its road infrastructure development, maintenance and operations. They would include amongst other long-term concession type of contracts to the “user pay principle” adopted by tolling certain sections of the road network.

It is interesting to note that the total staff costs for the 2003/2004 financial year amounted to R30 million. This excluded the Directors and Management’s costs, which totalled R5 million for the same period as well.

Whilst this study does not critically examine the financial performance of the organisation, the information portrayed in the 2004 Annual Reports show that the organisation is operating at a net loss of R1.1 billion Rands* for the 2003/2004 financial year, and an accumulated loss of R3.5 billion Rands* since its creation.

* The SANRAL’s Annual Report 2004, Balance Sheet as at 31 March 2004, Section 5, page 88,

14. Section 188 of the Constitution of the Republic of South Africa, 1996 (ACT No. 108 of 1996) read with Sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995), section 58 of the Public Finance Management Act, 1995 (Act No. 1 of 1999) as amended (PFMA), Sections 36(3) and 36(4) of the SANRAL and National Roads Act, 1998 (Act 7 of 1998) and Section 300 of the Companies Act, 1973 (Act No. 61 of 1973)

4.6 Summary of the Chapter

The effects of apartheid have left a telling legacy on the lives of all South Africans. Every aspect of the people's lives has in some way been changed or altered as a result of this debilitating type of governance.

This also had a dramatic effect on the manner in which the human resources of organisations, more especially those in Government Departments, were being administered or managed. Concomitantly leading to the development of staff and managers ill-equipped to deal with or handle working and/ or managing staff of different races and cultures when, in 1994, South Africa adopted a new democratic Government and apartheid was relegated to the history books.

These poor management skills, lack of proper staff training and development had a dramatic negative effect on organisations, such as SANRAL, that were spawned from the Government Departments. In the Chapter 5, the findings would substantiate these statements.

Chapter Five - Research Findings

5.1 Introduction

In Chapter One and Chapter Three, the Research Philosophy was introduced that set that stage for the study. The combined Research Approach using both Qualitative and Quantitative methods was adopted. Reasons for adopting this philosophy was explained and so were the advantages and disadvantages.

This chapter focuses on the interpretation of the data collected from the various Quantitative methods, together with the case review, to answer the research question. The selected Models will then be used to explain the findings on the research conducted.

The findings will reveal that the SANRAL organisation has neglected an important strategic element of the organisation, its Human Resources. The impact of HR has been and still is determined by its CEO and its resultant role in the strategic formulation process is non-existent.

Also, much emphasis has been placed on the achievement of key objectives, yet this too is without the backing of a HR strategy. The important role of the HR Executive in contributing to the strategic planning session is highlighted; and the nature of the relationship between the CEO and senior management and how it determines this contribution is also brought to the fore. The findings show that this relationship is also affected by the acceptance by the CEO and senior management of the importance of this contribution.

Finally, these findings will indicate that the level of strategic integration of human resources management with strategic planning, within the SANRAL organisation, is at a level that is not conducive to the successful achievement of its goals and objectives.

5.2 Research Findings

There are two basic aims of this Chapter. The first, will be to use the information from the case study review, the questionnaire and other data collection methods, to determine the position of the SANRAL's HR Division in the Brewster and Larsen's Model. Then, secondly, to use these finding to indicate the level of strategic integration that takes place between the HR function and Strategic Planning using the Model of Noe et. al (2000), shown for reference purposes below.

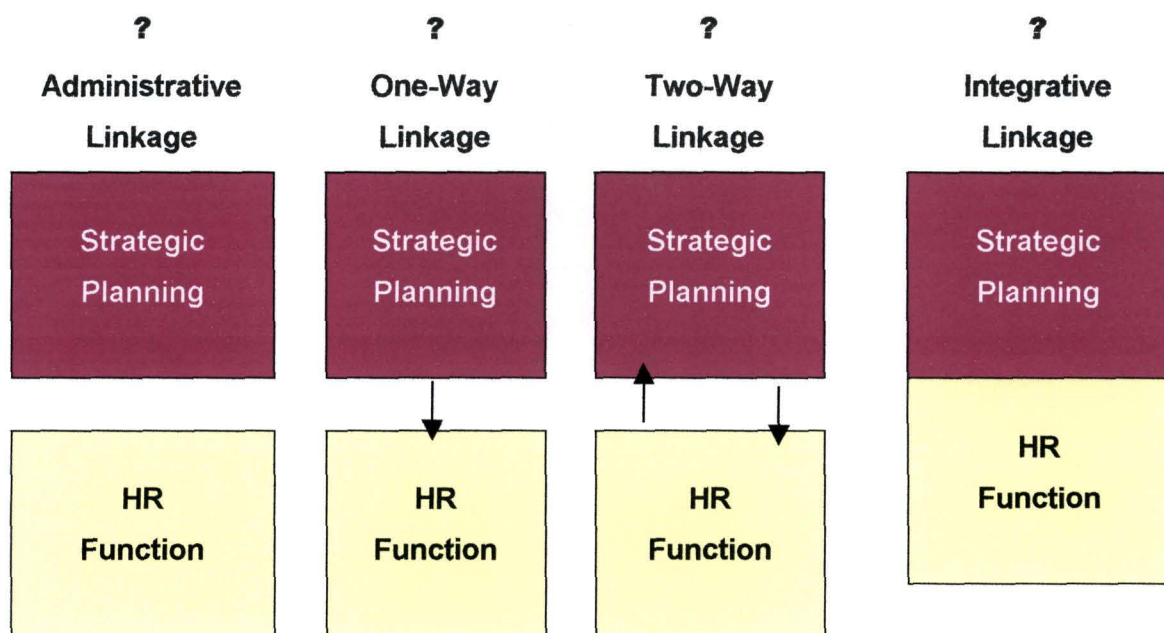


Figure 2.3 Noe's Typology courtesy of Golden and Ramanujam (1985)

5.3 The First Year: A General Overview

The first few months saw a hive of activity within SANRAL, as physical movement of people and offices took place. The drive was on to get the organisation settled as soon as possible. During this period, the HR Division was involved in typical HR functions to ensure that in terms of legislation the SANRAL could operate as an organisation.

However, of notable absence, were the normal HR programmes such orientation, team building, goal setting and culture building amongst employees, so typical

amongst many other organisations going through such a transformation process. Regional Offices and their managers were responsible for ensuring that these programmes took place, if they so desired.

One major event did take place in the first year. The SANRAL's Senior Management and employees were tasked to develop a vision and mission statement. This took place at a getaway in Pretoria, and a form of team building exercise also took place. The outcome of this was the development of a vision and mission statement. The goals and objectives were also set.

The environment reacted quite strongly to the changes that were taking place. Consultants and Contractors eagerly awaited the flood of new work, and they were not disappointed. The SANRAL kick-started the process by making sure that the creation of the SANRAL was not to be questioned with regards to its existence, the effectiveness and any comparison to the National Department from whence it was "born".

5.4 Analysis of Qualitative Data

The organisation under study is reviewed, "in chronological stages" and concentrates its narrative on factors that have influenced HR matters.

It must be remembered that the researcher is reporting on incidents and phenomena that have taken place over the last six years. Not much information about certain processes, such as the discussions that took place at Senior Management level, is available.

The case study is therefore based on interpretations and resultant outcomes, and could be classified as to being subjective on certain incidents. In the analysis of the organisation, the following aspects are reviewed:

- 5.4.1 Employee Recruitment for SANRAL
- 5.4.2 Employees in SANRAL
- 5.4.3 The Chief Executive Officer
- 5.4.4 The Senior Management Team

- 5.4.5 Culture Changes, its influences and impacts
- 5.4.6 Corporate Services
- 5.4.7 Attitude Survey
- 5.4.8 Development and Training
- 5.4.9 Recruitment of new employees
- 5.4.10 Resignations and Retirement
- 5.4.11 Communication

5.4.1 Employee Recruitment

Plans to staff the new "Agency" started almost a year before SANRAL became official. It was the aim of the SANRAL to have a very lean workforce structure whose focus would be on the management of its assets through project management philosophies. Hence non-core or specialist activities of the SANRAL would be outsourced to more competent providers of these services and or activities.

With regards to the recruitment of its employees, a team comprising of senior managers of the Department of Transport, including the new CEO, began the process of choosing staff from the current pool of civil servants from the Department of Transport that will be offered positions in the SANRAL. It is interesting to note that at this stage, no HR Manager was involved in the process of recruitment and selection of the new employees. The appointment of a HR Executive was to take place a few months after the establishment of the SANRAL.

Employees were not aware of the criteria used to evaluate each staff member, although the principles of the affirmative action policy played a guiding role. Positions that could not be filled by the current staff available were offered to personnel from other sectors, private and public. Even at this early stage, these positions were filled by people headhunted by the recruitment team and few positions advertised publicly.



After many months of deliberation, employees were offered a position within the SANRAL. Those that were not, were given alternative positions in other departments, organisations etc. All in all, attempts were made to ensure that the process would be fair to all employees. Most affected by these changes were employees that worked in the Head Office. Many senior employees, mostly white, were offered retirement packages.

At a regional level, changes also took place, and staff with specialist portfolios outside the "core requirements" of the SANRAL, were placed with local and provincial departments or private companies.

Employee enthusiasm was quite high, due to the many beliefs that was held, or communicated by the managers, as to the many advantages that would be forthcoming in the move to the SANRAL. As mentioned, one of the de-motivators in the civil service was the issue of poor remuneration. Prospective employees believed that the move to the SANRAL also signalled better pay as well.

Other benefits such as the allocation of a car-allowance, and remuneration based on skill, experience and qualification were determining factors for many employees to join the SANRAL. For many others, however, the alternative of remaining with the Government service or other did not bode too well and although not convinced by the offer, joined the SANRAL, nonetheless.

New offices coupled with a new sense of expectation had a tremendous affect on the employees' morale. Many were quite proud to be a part of the new organisation, and believe that this heralded a new start in their careers. On the 1 April 1998, the ex-civil servants and new recruits became SANRAL's first employees officially and this signalled in a new entry in the South African history books.

5.4.2 Employees in SANRAL

SANRAL is made up of 127 employees, which includes the CEO and senior management. The majority of the SANRAL's employees can be categorised as to

being technically orientated and are mostly Engineers and Technicians. These employees account for 60% of the work staff. The remainder fall into the financial, administrative and social science categories. Male employees make up 56% and female employees, 44% of the total staff complement.

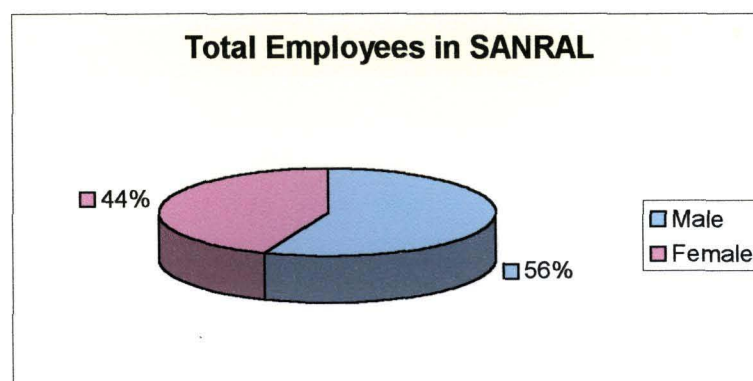


Figure 5.1-Gender Distribution in SANRAL

Senior Management is composed of 9 members, which includes the, CEO, heads of Divisions in Head Office (Corporate and Financial) as well as the Regional Managers. Of the 9 Senior Management team of men and women, 7 are professional male Engineers. Four of senior management employees are Black, including the CEO, whilst the remaining five are white. Two of the four regional members are Black (Coloured and Indian), whilst one Coloured female is part of the Head Office component and manages Corporate Services. The other person a White female manages the Finance Division.

5.4.3 The Chief Executive Officer

The appointment of a Chief Executive Officer (CEO) to steer SANRAL through the uncharted territories needed to be done sooner rather than later in order to ensure that SANRAL started operating as soon as was reasonably possible. The Chief Director of the National Department's Roads Directorate, Mr. Nazir Alli, was appointed as the new CEO of SANRAL.

Mr. Alli was "handpicked" by the then Director-General of the National Department of Transport, Mr. K.Gordhan, nephew of the current Commissioner of the South African Revenue Services, Mr. Pravin Gordhan. This appointment was

sanctioned by the then Minister of Transport, Minister Maharaj, and Mr. N. Alli began his term as the new CEO on 1 April 1998.

During his term as the Chief Director of the Chief Directorate Roads, Mr. N. Alli gained a reputation of being highly driven and for delivering on his objectives. Qualified as a Civil Engineer, Mr. Alli's technical knowledge ensured that on the aspects of construction of roads he was well versed. He, however, was not known for his diplomacy with regards to the human issues of the Directorate, and stories of him and his encounters, with staff and consultants, are quite well known. His reputation, described by many as authoritarian, preceded him.

Could this behaviour be ascribed to his endurance and experience of the many years of racism? Or is it simply a characteristic of the man. This is an area of research that could be most revealing. Whatever it is, many employees rate their interaction with the CEO differently. However, the general consensus is that you don't cross swords with him on issues that he has strong feelings on.

One of these issues is his stance on human resources. Given his reputation, one is not too surprised that this issue does not feature on top of Mr. N. Alli's list of priorities. Is it simply that as an analytical thinker, answers to problems should either be right or wrong? And hence issues regarding employees should also be dealt with in a similar vein?

The fact that this did not augur well with the employees did not seem to bother the CEO. Whilst on one hand Mr. N. Alli's purported having a "highly motivated and professional team"¹³, as part of the mission statement, and stating that one of the core values is that the "people are our most valued assets"^{12 +13}, it has been demonstrated by example on many occasions that these concepts were not taken as seriously by this CEO.

It was not un-common for employees, even senior employees to be told to leave the organisation, irrespective of the position they hold or the contribution they made or potential to make. Whether or not these dismissals were correct was not how the employees viewed them. There has been an understated message in

SANRAL that people, who are not happy, with the positions they find themselves in, or the organisation, should feel free to leave. This attitude demonstrated by the CEO has also found a place within the Senior Management team as well.

However, whilst the CEO has demonstrated by behaviour that he is not exactly a people's person, he preaches an open door policy to all employees. How often this invite is actually taken could be easily determined. He has demonstrated that he is a person of integrity on many issues affecting both the organisation and the employees and has made statements that have not seen him gain popularity within the industry or the public sector because of this.

On employee development and training, the CEO has a very liberal attitude towards the development of staff, albeit on a narrower focus. Furthering employee's education and exposure to new practises local and abroad is encouraged, but there are strong feelings that only certain employees are favoured for these. The SANRAL strategies lack clearly defined human resources strategies that sets out what employees are required to do in terms of achieving the goals of the organisation.

Mr. N. Alli's non-committal to programmes regarding HR is further reflected in the absence of human resources strategies in the Horizon Twenty Ten document¹³. The serious lack of human resources integration within the strategic planning is the chief culprit for this. However, only the attitude of the CEO can make this possible. Yet to date no serious commitment has been made to address this "gap". This indifference could mean the achievement of the organisation's objectives or not.

5.4.4 The Senior Management Team

Senior Management is composed of eight members, which includes the CEO, Heads of Divisions in Head Office (Engineering, Corporate and Financial) as well as the Regional Managers. Of the eight Senior Management team of men and women, six are professional male Engineers. The two females are the Corporate and the Financial Executive.

Apart from their normal duties, this team is essentially tasked with amongst others, policy planning, budgeting and the organisation's strategic planning. Since the creation of the organisation, there have been two resignations from the positions of Financial Executive, one resignation of a Regional Manager, one resignation of the Corporate Manager and one retirement of a Regional Manager.

Therefore, this turnover in Senior Management in only five years begs to ask the question, if this is natural in any organisation and what are their circumstances that have led to these resignations.

It has been purported by some staff that the person holding the position of Corporate Executive should be, if anything, downright assertive if they wish to impact their presence at the Senior Management meetings and plans. It was no secret that the ability of the senior male Engineers to dominate discussions and plans and to get things done their own way was a foregone conclusion to many such meetings and plans.

It was a known fact that strategic human resources management did not feature high on their list of priorities. Senior Management was much more interested in plans to achieve their objectives with regards to the primary tasks at hand with the budget allocated. Human Resources management had to respond according to the dictates of these plans.

Only with a strong presence and also a buy in from senior management could any plans regarding the elevation of HR to a strategic level be achieved. The appointment of Ms. Nazli Allen to Corporate Services may have led one to believe that this individual could have had an impact on the strategic planning of the organisation in terms of HR integration. Ms Allen was described as a dynamic individual by some of her colleagues who had the ability to put her views across quite strongly and emphatically.

She shared a close working relationship with the CEO, and was the most senior, Black, female person in the organisation. She was frequently called upon to

deputize for the CEO when he went abroad or went on leave. The relationship between her and the CEO appeared to be congenial to the employees.

Her relationships with the staff varied. As Corporate Executive, she was called upon to make certain un-pleasant decision's regarding employee's matters. One employee upon resignation believed he was "sold out" by her. Others felt that she didn't assign the support that one would expect from a HR Executive in their confrontations with management over HR issues.

However, during the past five years as Corporate Executive, even with her close association and relationship with the CEO and members of Senior Management, she as the HR Executive had not done anything significant to enhance the status of HR in the organisations. Is this perhaps a reflection of the volume of work that she was tasked with? Or could it also be interpreted as a sign that the senior management's views on these matters were prescriptive?

During both the planning and publishing of the SANRAL's Declaration of Intent document and Horizon 2010, Ms Allen had been present. Yet these documents holds merely a paragraph or two of the value and importance of HR to the firm. A testament of her contribution to this important component of the organisation? Research also shows, however, that she was quite instrumental in other aspects of the organisation, and a few credit her for her contribution towards the laying of the organisations foundations.

5.4.5 Culture Changes: Influences and Impacts

Within couple of months many employees settled down relatively quickly within their jobs. These were mostly the employees that were chosen from the previous Departments. The appointment or "transfer" of civil servants, mostly white engineers and administrative staff, from the previous National Department of Transport, had a distinct impact on the nature of the working culture present within SANRAL.

For most not much had changed. Many still worked in the Regions where integration with other races was minimal, and disruptions to the way of doing things were quite insignificant. "This is the way that things were done before and this is the way things must be done now " mentality prevailed.

For the employees that came from outside the Public sectors, things were little more different. One thing that did strike them was the bureaucratic thinking that was carried over into the new organisation. Whilst the approach to carrying out the different work functions entailed working in teams, sharing of knowledge, quick access to Senior managers, etc., responsibility and decision making still rested with senior management and this detracted from the many of the benefits of the new structure.

Many employees felt that the SANRAL has a very distinct technical culture of operating. It aligns itself more closely with the civil and other engineering disciplines, and relegates the components of Finance and Corporate to supporting roles. This culture has caused many confrontations between both the staff and management from the technical and non-technical divisions.

Non-technical staff and management complained that the engineering, technical staff and management were parochial in their thinking and "dictated" to them (the non-technical staff) to operate in a manner that best suited their own requirements.

These employees also quickly learnt that the working culture was strongly influenced by past working experiences of the Government sector, and clashes with the private sector way of thinking were evident and frequent. This occurred mostly between the Engineering and non-Engineering staff (e.g. Financial and Corporate). The reasons for this were quite evident. More outside recruitment took place with the non-engineering group than the engineering group. Most Engineers were appointed from the National Department, Provincial Governments and Municipalities. A few were recruited from the private sector.

These Engineers still displayed the thinking and working culture of these Departments, which clashed with the thinking of those that came from the private sector. It was also the feeling by many non-technical employees that the organisation was run like an “engineering consulting firm”, rather than an organisation that did more than build and maintain roads. This was reasoned since the CEO, most of the Senior Management team, Regional Managers and almost all of the Divisional Managers were Engineers and/or technical staff.

Non-technical employees also believed that the thinking of management was concentrated more along the technical aspects that affected the business and that other aspects of the business such as Human Resources and Finance played secondary roles. As a result, the necessary impetus was never given to these areas of the business. The technical aspects presented by the task ultimately governed focus on the task at hand rather than being dictated by the process most suitable to address it. These clashes were to continue to the present period. At the detriment of the SANRAL?

For other employees, “who” the SANRAL was and where it was “positioned” was unclear. Employees complained in private that they did not understand whether they were a “Government body” or a “private company”. These were highlighted when employees raised a concern about their salary increases. It was felt by many that whilst the SANRAL professed to operate as a private company its remuneration was aligned more closely with public sector levels. Given the nature of work, the level of responsibility and the environment within which it operates, employees felt that they are being unreasonably rewarded.

There was also evidence of “grumbling” with certain employees as the benefits of moving to the SANRAL were dissected. Medical Aids, car allowances, pension funds etc were issues that required the HR Division to get involved frequently to answer queries.

The belief that staff within the SANRAL still display racist tendencies is an opinion held by many Black employees. Adding credence to this belief was the surfacing of many race related complaints. Some regional office staff and the managers

were accused of “being racists” or harbouring “racists tendencies”. Employees felt that the dominant groups in these offices still carried out racist practises and this spilled over into work matters, promotions, etc.

Three of the four regional offices have had instances where allegations of racism were made known. Within the HO environment, staff have spoken about racial intolerance’s by some staff members against others. In all of these instances, there was no “input” by the previous HR Executive in dealing with or addressing these issues. Many employees cited reasons such as not having the right forum to address their concerns, being unclear as to where to take their enquiries, as well as a fear of being victimised by other employees of the SANRAL.

Some believe that not much change had taken place and a lack of commitment exists, by many staff, to adapt to the new changes and different other cultures present in the organisation.

Unfortunately this matter was not addressed, as it should have by HR Management processes. A committee was appointed to investigate this matter at the behest of the CEO, but this was likened to a “witch-hunt” by some of the employees. The findings revealed that the SANRAL was free of “racist” beliefs. This was contrary to the beliefs of many. The saying, “the more things changed to more it stays the same” could not have echoed the sentiments any better for many of the employees at the SANRAL.

There have been greater attempts by some regional offices than others to address cultural differences and these have taken the form of team–building exercises, cultural evenings and even attempts at learning basic languages as spoken by the majority of the country’s inhabitants.

Senior management together with the HR Executive are the key drivers of this process, however, the input that the HR Executive or the HR team had thus far has been reported to being nil. It is one of the main HR Management functions to ensure that the employees of an organisation function as a fully integrative team.

Summary

Cultural influences of the different employees affect all working environments, however, the task is to identify the common themes present and use it to the advantage of the organisation. The fact that a distinct corporate culture is not easily identifiable within a small organisation such as SANRAL is an area both of concern and action.

5.4.6 Corporate Services

Corporate Services was one of the three divisions making up the Head Office component. Ms Nazli Allen, as mentioned earlier, was appointed to the position of Corporate Services Executive a few months after the SANRAL was established. The task before her may have been quite daunting, as she was heading one of the most recent “public to semi-private” transformed organisations in the post-apartheid period.

With all eyes, private and public, focused on the performance of this new organisation, Ms Allen needed to ensure that the key to the success of the organisation, its human resources, is up to the task. The Human Resources Division is a part of the Corporate Services Division. The other divisions that make up corporate services include Development, Registry Services, Information Technology, and Marketing and Communications. This is displayed as Figure 5.2.

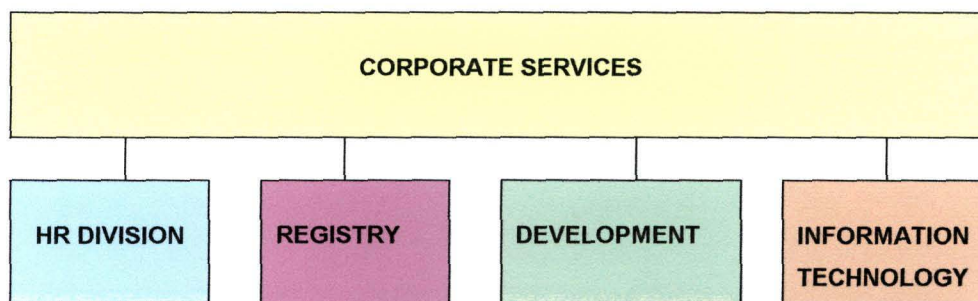


Figure 5.2: Organogram of the Corporate Division of SANRAL

The HR Executive, Ms Allen, had not been seen to have much direct contact with employees except on social functions or in meetings with the staffs, which were few and far between. It was not uncommon for Ms Allen to meet with the

Regional Manager and not have a general meeting with the staff of the Region. For many the role that Ms Allen played with regards to the HR matters were very un-clear. Although Ms Allen was seen to be an integral part of the Senior Management team, going to the extent of even deputising for the CEO when he was away, her contribution to the HR of SANRAL is not measurable.

Early in February 2004, many employees learnt, with much dis-belief that the HR Executive Ms Allen had resigned. It was shocking for many, since there existed a perception that a close working relationship existed between the CEO and her. A few months, in July 2004, Ms Heidi Harper, a Graduate from the University of Cape Town, was appointed as the new Corporate Executive for SANRAL.

Ms H. Harper's previous 10 years of work experience was in an HR position in Spoornet*. From working in a very large organisation to one as small as the SANRAL organisation may be a welcoming break for Ms Harper. However, she mentions that the challenges facing SANRAL are much exciting and relevant.

Ms Harper sees the need for HR Management changes in the organisation, but was reluctant to take it further. She concedes that changes to the HR Division itself were something that she would tackle sooner rather later, and mentioned that the review of the HR Policy was at an advanced level. The involvement of Regional Managers to become more active with regards to employees matters also featured high on her list of must to do's.

Regarding the strategic role of the organisation, Ms Harper did not appear to give much thought of its significance at this stage. She however, mentioned that a problem with regards to the training and development of staff specifically, existed in the organisation. Her previous work experience would hold her in good stead here, as she managed both the training and development and employment relations within Spoornet. *

Her thoughts on the leadership of the organisation, namely the CEO, were that he was the right person to take the organisation further. She also believed that he

has become more receptive to the changes that need to take place within HR, when asked if he would support a strategic change to HR Management.

Ms Harper believed that certain culture changes may be needed in the organisation as well as the need to engage much needed younger employees.

5.4.6.1 SANRAL's Human Resources Division

Mr. Marius Vermuelen is the person directly responsible for the Human Resources Division. He reported directly to Ms Allen and now reports directly to Ms Harper. He best describes himself as a Human Resources practitioner and has qualifications and many years' experience in dealing with human resources matters.

Mr Marius Vermuelen's experience extended to working with Government departments adjusting to the transformation process, prior to his appointment with SANRAL. Assisting Mr. Marius Vermuelen to a lesser degree is Ms. Phumzile Makoba. Ms Makoba is chiefly responsible for the management of the study courses and programmes that the SANRAL employees undertake.

She fulfils a very administrative function in this division. However, Ms Makoba also undertakes other duties as well, such as assisting the company secretary, and therefore is not always available to undertake HR related matters.

Mr. Marius Vermuelen is the sole person responsible for managing the needs of the employees of SANRAL. However he is not too bothered by this, as he quotes a work-study report that believes a human resources division of three to five people is sufficient for an organisation of 1000 employees. He believes that with an organisation such as SANRAL, which has at least 127 people, there may be not sufficient work to justify a bigger HR Division.

Spoomet- On 1 April 1990, the South African Transport Services, which was previously the S.A Railways and Harbour (SAR&H) became Transnet Limited, with the State as sole shareholder. Spoomet became one of its major divisions, and all rail commuter assets were transferred and operated by them.

He, however, admits that functions, such as filing, recording keeping, etc. has to be done by himself and this steals away precious time that could be channelled usefully to other more important duties. One of those important duties according to Mr. Marius Vermuelen is the impact that legislation is having on the employees. Most of his time is spent ensuring that the organisation is compliant with the acts of these legislation. Currently there are 14 different types of legislation that affects the Human Resources directly.

The role of the HR Practitioner is quite obvious, as they are seen to be carrying out the many HR functions, mostly administrative, of the organisation. This role is quite clear in SANRAL. As identified in the research literature, the HR Practitioner will supplement the input of the HR Executive in the strategic planning phase. This could take the position of the HR practitioner participating actively within the strategic planning team together with the HR Executive.

Mr. Marius Vermuelen is two years away from retirement, and no person has been selected for his replacement as yet. Given the fact that he alone is responsible for many of the HR functions in the organisation, the SANRAL could experience major difficulties should Mr. Marius Vermuelen be indisposed off, for whatever reasons, even for a short while.

Mr. Marius Vermuelen believes that a need exists for HR to play a more meaningful role in SANRAL especially when it comes to the achievement of objectives. With the current structure that is the HR Division, it appears as if the Corporate Executive, who also doubles up as the HR Executive, would require additional resources within this Division to assist with normal HR Functions without considering the impact of a strategic approach.

The HR Division has provided an average service, according to the employees of SANRAL for over five years. It has been describe by some as to "being there" to provide specific advice or input in certain HR related matters. Other employees have little or no idea as to the activities of the HR Division, and believe that their managers are responsible for HR Management functions.

5.4.6.2 Human Resources Management in SANRAL

The human resources management of the SANRAL has been based on the philosophy of providing administrative support to the employees. The systems and communication channels in place have been geared to providing the employee with enough support to address certain issues pertaining to HR functions. The introduction of an electronic employee self-service (ESS) uses technology to facilitate these functions.

Regional Office staff members, normally a delegated member, also assist in providing information via the employees to the HR Division. A remnant of the previous Department process? The employee has access to the HR Policies and is updated by electronic means on changes to certain areas of HR that may affect them. Employees also contact the HR Practitioner directly if issues related to their benefits need to be queried.

As a result certain aspects of HR Management was left to employees to self teach themselves, and it was hardly surprising for many other employees not too be au'fait with the processes. It was also the belief of the CEO that a human resources manual was not necessary for the organisation.

Given the level of exposure that the employee has towards the HR Division; and the role that HR has played in their lives, it was hardly surprising to discover that many employees knew little of the advantages that a strong HR Executive could have on not only the organisation but also on their careers.

With respect to the careers of the employees, little or no effort had been made by the HR Division to provide more information to the employee on how to grow and develop within the organisation. Employee development is left strictly to the employee and their managers.

5.4.6.3 Human Resources Management and Strategic Management in SANRAL

Due to the very flat structure of the SANRAL, the HR Executive/Corporate Executive found herself in one of the seats of the Senior Management team.

The relationship that existed between the strategic management team and Ms Allen when she was the HR Executive was seen to be highly formalised. As mentioned a good relationship existed between them and Ms Allen was involved in and participated in the strategic process. However, her input with regards to how the HR should play a role in the strategies chosen by Senior Management is unclear. The lack of detailed HR strategies could be construed, as evidence, that this input was minimal, or not considered a priority by Senior Management.

Whether or not Ms Allen readily reacted to these strategies as well is also questionable, as once again no definite or clear direction with regards as to the how HR should interpret the strategies of the organisation is available or has been made available to the employees. If anything, Ms Allen appears to have fulfilled the role of managing the HR Division as a purely stand-alone department within the SANRAL.

With the appointment of Ms Harper, the question remains to be answered as to whether she may contribute to bringing the role of human resources management to the fore in addressing the achievement of the SANRAL's goals. Whether or not Ms Harper can successfully integrate human resources management into the strategic formulation is yet to be seen.

The key requirement as mentioned by Tyson in the previous chapter is the ability of the CEO to recognise that HR does play a significant role in the strategic formulation process. Together with a strong HR Executive presence, which should ensure that this process takes place, the chances of the organisation successfully accomplishing its goals is much greater.

5.4.7 Attitude Survey

In a survey to determine the “Best Company to work for” SANRAL employees were requested to complete an online survey in 2003. SANRAL was ranked 81st out of 114 companies. This survey feedback on 31 March 2004, revealed that an un-favourable situation existed within the organisation and employees were unhappy. This survey was not initiated or driven by the HR Executive or practitioner. Whilst the outcomes have been discussed with HR Division, to date no plans to address the areas of concern have been addressed by the HR Executive.

5.4.8 Development and Training

For employees in SANRAL, the past five years had seen many changes to their lives. For some, the experience gained has been invaluable. For others, the lack of career development and exposure had taken their toll and work had become a routine. Employees pointed out that a clear direction as to their future in the organisation was not known and this impacted on their work performance. Those employees that have been fortunate to be guided exposed and mentored felt differently.

Within, SANRAL, employees also show a high number of staff pursuing part-time studies, subsidised by the firm. Some offices have at least 75% of their staff with post-graduate qualifications. SANRAL has also encouraged the attendance of courses both locally and internationally and many employees have attended conferences abroad.

With reference to the SANRAL's Annual Report 2004, statistics show that bursaries were awarded to at least 18 employees to complete a post-graduate qualification. Of these 62% are female employees.

With regards to the training statistics provided for the year 2004, the following pie graph displays the employees who underwent further training.

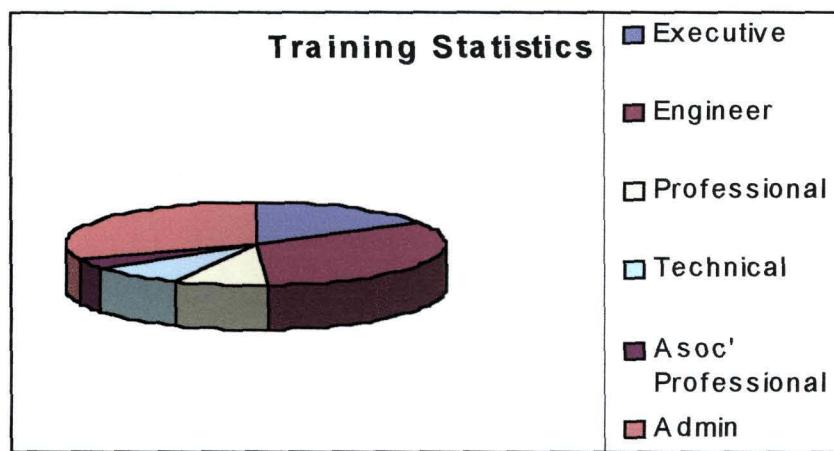


Figure 5.3 Training Statistics: Courtesy of SANRAL 2004 Annual Report

5.4.9 Recruitment of New Employees:

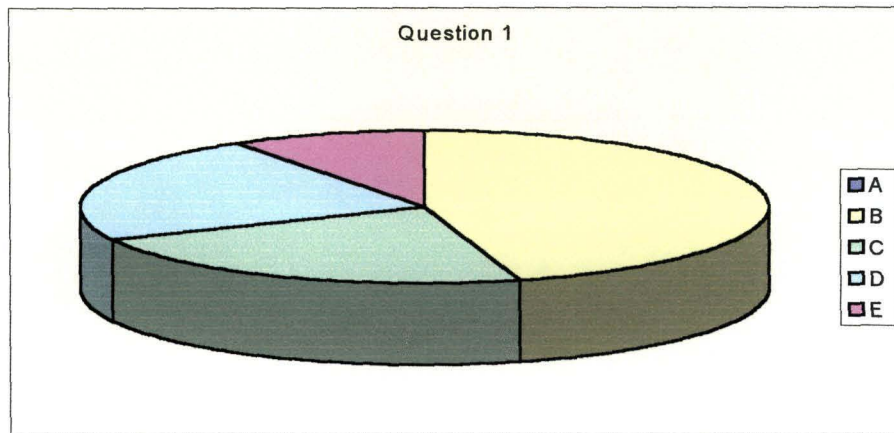
SANRAL has actively pursued the employment of women of all races in the organisation and many hold important positions within the organisation. Replacing positions created by persons leaving the organisation in many cases have not been filled. The motivation by the Regional Managers in this regard is used to determine whether or not the position needs to be filled. There is no specific recruitment strategy adopted by the SANRAL. In many instances employees are asked to for referrals to be forwarded to the Regional Managers. In many instances the participation of the HR Executive or HR Practitioner in this regard is non-existent.

Of recent, the employment of white male personnel has been of concern to some employees. These appointments are in contradiction to the Employment Equity Act. Whilst a recommendation is made by the Regional Managers etc. for a certain position to be filled, it is ultimately sanctioned by the CEO. In many of these recent appointments the HR Division merely fulfilled an administrative function to these appointments.

5.5 Analysis of Quantitative Data

5.5.1 Section A

Question 1-To which age group do you belong?



Variable	Totals	Percentage
A) 18-25	0	0
B) 26-35	10	45
C) 36-45	5	23
D) 46-55	5	23
E) 56 and older	2	9

Figure 5.4: Age Distribution of sample frame

The discussion below is influenced by the theory of the “Generational Model” as described by Neil Howe and William Strauss (1991).

The largest percentage of the sample group falls in the Group B, which is the age group range of 26 to 35 years old. Employees in this group are more prone to the adoption of new ideas and methods to undertake their tasks. These groups are also more likely to question the current management strategies if they are aware of the impact of them on their tasks. People who fall within this age bracket are more likely to also seek new career prospects should they believe that the current environment would not allow them the opportunity to grow.

The next group is the 36 to 45 ranges. The similar philosophies about the above age group would also apply here too. More importantly it is from within this age group that the selection of staff for future managerial positions should be chosen

and mentored towards. In SANRAL, this group includes many engineers and administration professionals and key support staff. It is critical to the SANRAL that every attempt is made to ensure that the staff at this level is kept motivated and rewarded accordingly. These groups belong to the “Xers” and there is an increasing culture war between them and the “Boomers”.

The 46 to 56 age ranges consists primarily of management staff. The ideas of the “Baby Boomers” are very much influenced by the experiences they have had and as such, whilst they may be open to “solving” problems they also entrench many outdated doctrines. They are also seen as taking a moralistic and patronising stance on issues that they defied in their youth, and have become “solid, materialistic, middle class self absorbed, mid-lifers.” What this means for the SANRAL organisation is a very “stubborn” management level of people who may not be willing to change the status quo, especially if it is being motivated from a person belonging to the “Xers”.

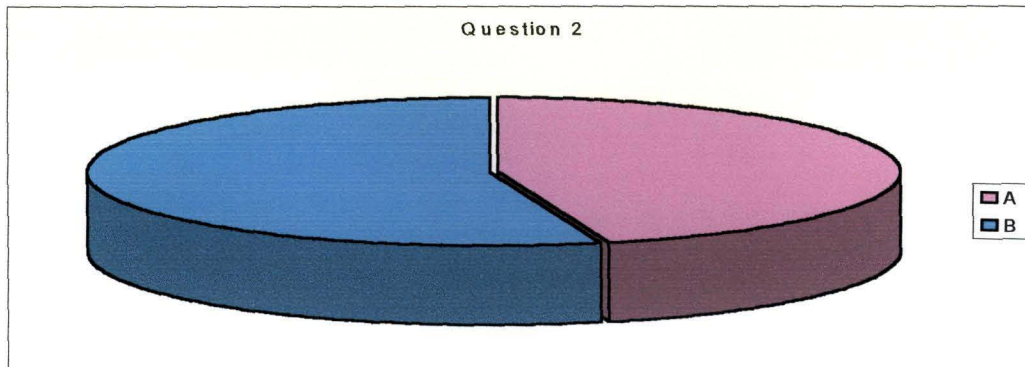
This may impact on the ability of, for example the HR Executive of SANRAL, in trying to change the opinions and beliefs of the “boomer generation” with regards to the change of HR management to a strategic role in the organisation.

Summary

The above shows the mix of the employees within SANRAL. Ideas, decisions and general management practises, appear quite acceptable to most of the employees within SANRAL. This could be due to the simple fact that as mentioned previously, the majority of the staff are from an engineering discipline, and therefore since the existing work culture is centred around this, employees are grudgingly acceptable of the situation.

This “culture” however, is not the only driver of the organisation since there are other key disciplines as well. Integration of disciplines within the organisation is required to ensure that the goals and objectives of the SANRAL are catered for. Communication is not as effective as it should be in an organisation of this size. And this could be attributed to the culture present.

Question 2-Please tick the appropriate gender box



Variable	Totals	Percentage
A) Female	10	45
B) Male	12	55

Figure 5.5: Gender Distribution of sample frame

The Male to Female ratio within SANRAL's organisation (nationally) is fairly balanced at 56% Male to 44% Female. However, within the regions there are a higher percentage of males to females. This is due largely to the fact that most males in the regions are from a professional engineering background, which was always seen to be an occupation for males. However, the SANRAL has a very proactive policy of empowering women, and many hold key appointments. SANRAL also recruited female engineers and there are currently three female engineers and one technician in the organisation.

The promotion of women seems to be quite positive in the SANRAL yet there was an expressed concern by employees who felt that not enough representativity existed with middle management at certain offices and recruitment policies were inconsistent with the Governments Employment Equity Act. This was confirmed and there lacks a substantial gap between the senior management and employees with regards to the filling of positions by Black employees.

Question Three- Period of Employment with SANRAL?

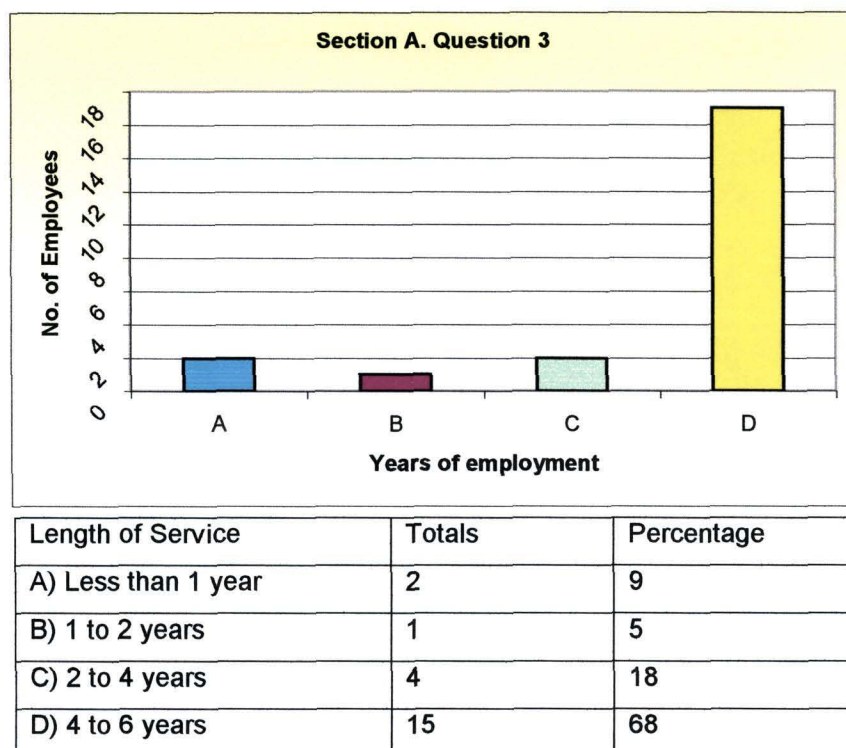


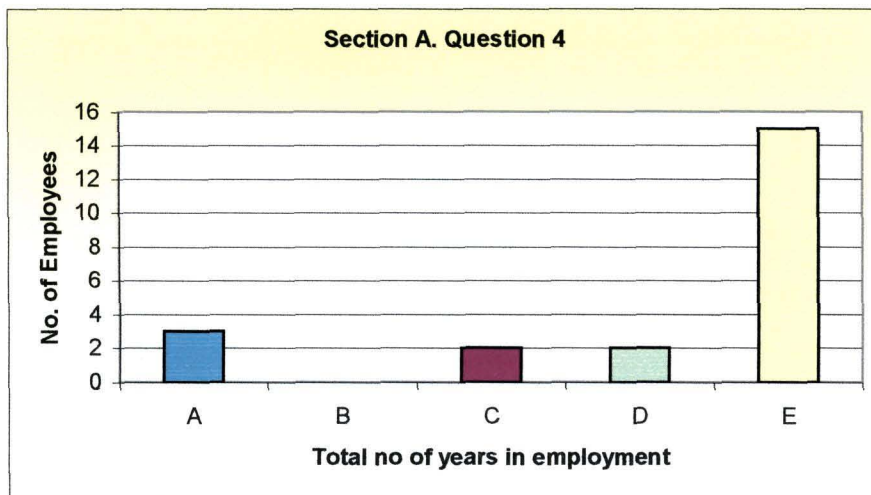
Figure 5.6: Length of Service

The aim of this was to determine how many new employees entered the organisation since its formation. This would reflect if a growth in employees is a response directly proportional to the new and additional work taken on by the organisation. It could also indicate as to whether the SANRAL organisation is an organisation where employees are more likely to stay for a longer period than normal.

Statistics from an audit of the HR revealed that turnover was quite low in the organisation, however, there has been a substantial loss of middle and senior management more especially in the Financial divisions, indication of perhaps a dis-enchantment with the manner in which Financial matters were being handled?

Between 1998 and 2003, there has been approximately 26 employees who have either left, resigned or pensioned. There have been 17 new appointments during this period as well.

Question 4- Total number of years of employment?

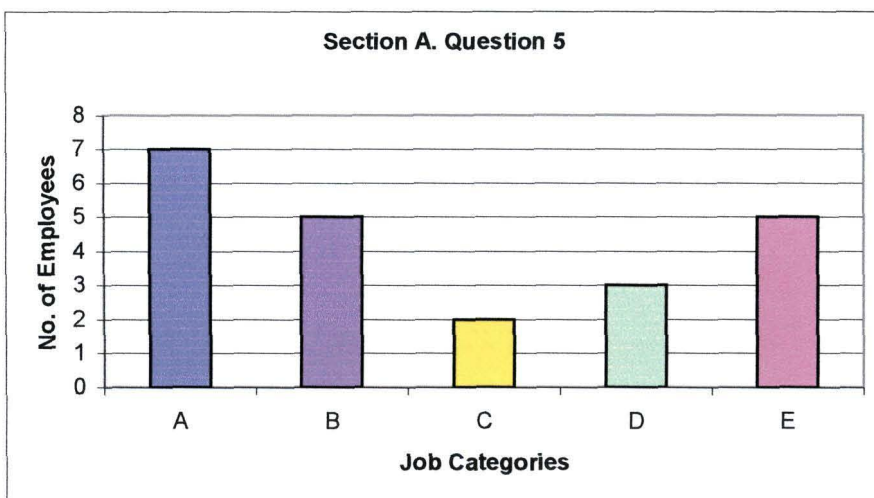


Total No of years employed	Totals	Percentage
A) Less than 1 year	3	14
B) 1 to 2 years	0	0
C) 2 to 4 years	2	9
D) 4 to 6 years	2	9
E) 6 years and more	12	55

Figure 5.7: Industry Service

The number of people with more than 6 years service is more than 50%, showing that there exists a lot of experience within the organisation which contributes to the knowledge base of the organisation. Organisations that utilise the skills and experience of their human resources refer to this as their core competence. The SANRAL has a very strong base of experience and expertise, although this lies more at the middle to senior level of the organisation. There has been little evidence that this experience and expertise is filtered down to the lesser experienced employees and this was confirmed when “mentorship” an attribute of the BC Survey scored lowly by the SANRAL employees.

Question 5- Please tick the most appropriate box regarding your present designation.



Job Categories	Totals	Percentage
Senior and Middle Management	5	23
Project Manager: Professional or > 10 working years experience	7	32
Project Manager: Professional and/or < 10 working years experience	2	9
Senior Administration: Professional or >10 working years experience	3	13
Administration: Professional and/or < 10 working years experience	5	23

Figure 5.8: Designations of sample frame

The Table 4.6 shows almost 32% of the professional staff and staff with 10 years experience and more that make up the core structure of the SANRAL responsible for the project management of projects and 13% of the administration. These are the employees that must be “looked after” as they represent the future of the SANRAL. However, it was from this group that most of the dis-satisfaction with and concern on the need for direction by senior management was expressed. With regards to remuneration this also another factor that this group felt strongly about.

There exist no strategies to cater for the development and training of these professionals, unless motivated by them. Whilst this may pass the responsibility to the employee, there is a lack of structured career planning within the SANRAL. Also evident was the absence of remuneration and reward strategies within this organisation.

Summary

At the present moment there exists a situation in SANRAL where as a result of the "Flat structure" in place, progression for many employees are stymied. The employees that hold most of the senior positions also are in the age category where retirement is not too distant. This means that plans to identify and develop their replacements should be known or planned for. This is not evident in the organisation.

There also exists a strong mind set about change in the ranks of senior management, which is composed mainly of employees of the oldest age group found in SANRAL. As a result many ideas and submissions for change may be difficult to gain acceptance by these group of employees. SANRAL has recently appointed a young HR Executive to replace the former HR Executive. The age gap between her and the rest of the senior management may be a stumbling block for not only participation and contribution of her ideas to the strategic team but also for acceptance for her plans.

SANRAL's organisation must adopt methods and plans to address the needs of the very large group of "young" employees or face the consequence of a demotivated and unhappy workforce. This would be detrimental to the progress towards the goals of the organisation, and unless drastic strategic action is taken, the organisation may be as ineffective as the past Government Departments.

5.5.2 Section B

General Orientation

The purpose of this section as mentioned in Chapter One, was to test the respondents understanding and knowledge of the research subject matter and certain concepts used. This would be used to determine the quality of the answers received in Section C, which posed questions directly about the research subject.

In this section the respondent had to determine whether the questions about the research subject matter were “True” or “False”. A “Not Sure” category was provided if the respondent was uncertain about the answer. The Bar Charts below represents the Questions in Section B. Reference will be made to these chart in the analysis of the findings.

Question 1: In most organisations corporate or business strategies are the plans that the organisation makes to achieve its overall goals and objectives.

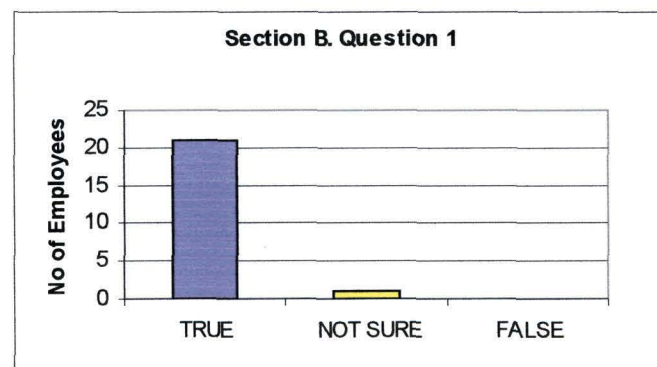


Figure 5.9: Testing Strategic Awareness

This question aimed to test whether the respondents were aware that organisations made use of plans called strategies to achieve its goals. For this question nearly all the respondents answered correctly. If the respondent understands the importance of the strategic making process, he/she should also be made aware of other factors or processes that would interfere or enhance the strategies of the organisation.

Question 2: The management of employees of the organisation through the various systems is called Human Resources Management.

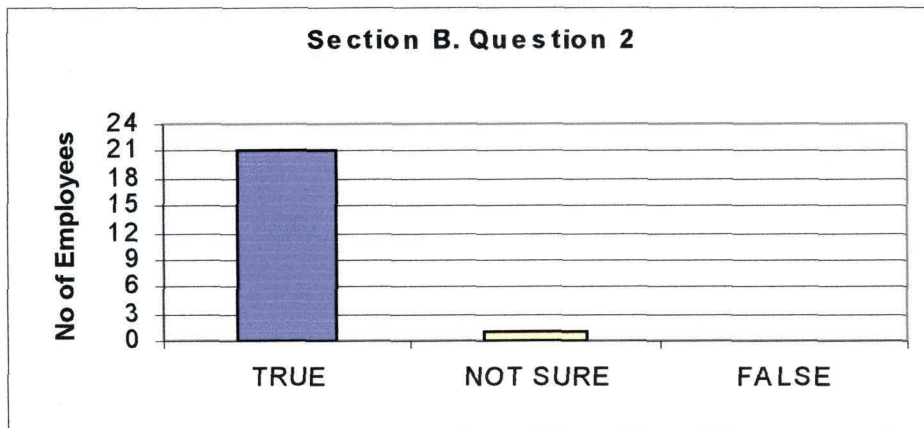


Figure 5.10: Testing Human Resources Management awareness

The aim of this question was to determine whether the respondent was aware that there was a distinct difference between the HR Management, which involves processes, systems and policies and the HR Division, which carries out the policies and is more functional. Here as well almost all respondents answered correctly, indicating that they were aware of the differences and therefore will be able to determine whether a problem exists on the executing of HR policies or where a problem existed on the policy making side.

Question 3: The Human Resources Executive is always consulted whenever plans involving the employees of the organisation are discussed.

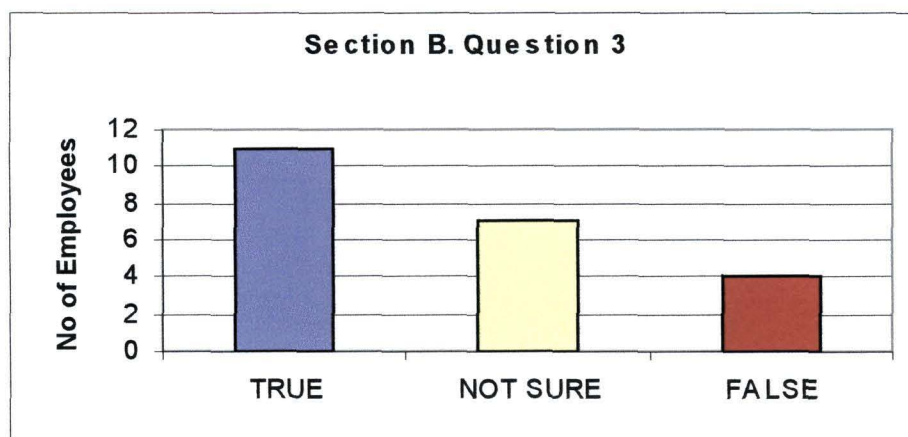


Figure 5.11: Role of HR Executive

The response on this question was expected to be varied, since it was determined later that the question may not have been clear to some. However, the intention of the question was to test in what light the HR Executive was viewed as to having the power in deciding or being aware of matters related to the human resources of the organisation.

In organisations where strategic HR management is practised, the HR Executive is kept abreast of all plans that involve the human resources of the organisation.

This is different from the HR functions that certain Line Managers may carry out on behalf of the HR Division in certain organisations, such as offices that do not have HR Divisions in place. Some of the HR Functions that line managers typically would carry out in these cases would be the approval of leave etc, prior to forwarding the approved leave forms to the HR Division.

In this instance, the HR Executive need not be made aware of the plans about the employees. However, where the leave plans of the employees affect the operations of the organisation, such as during vacations where key staff need to be available, then the HR Executive must be consulted.

The answers given by the sample indicated that 50% believed that the HR Executive is made aware, whilst 20% said that it was false and the other 30% were not sure.

Question 4: HR issues are not as important as the other issues of the organisation and therefore can be dealt with only when problems arise.

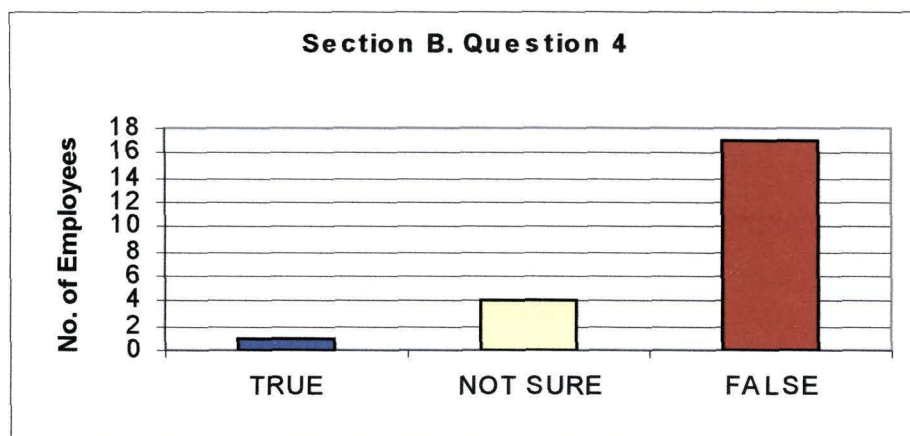


Figure 5.12: Importance of HR Needs

The idea behind this question was to gain an insight as to how employees viewed their own “needs” in relation to the needs of the organisation. In many organisations, employees are made to feel as if their needs are secondary to the organisation.

Human Resources as mentioned in Chapter Two, is one of the fundamental resources of the organisation and even considered in many organisations as to being the main factor to success. It is vital to any organisations that the HR issues are dealt with as swiftly as possible before it affects the operations of the firm.

The majority, almost 80%, believed that this statement was false, and this is indicative of the fact that they expect their HR issues to be solved as soon as reasonably possible. Of the sample, 5% believed that the statement was true. Whilst 15% were not sure.

Question 5. If the HR Executive is involved with major decision-making, then too much attention will be focused on the human issues of the decision.

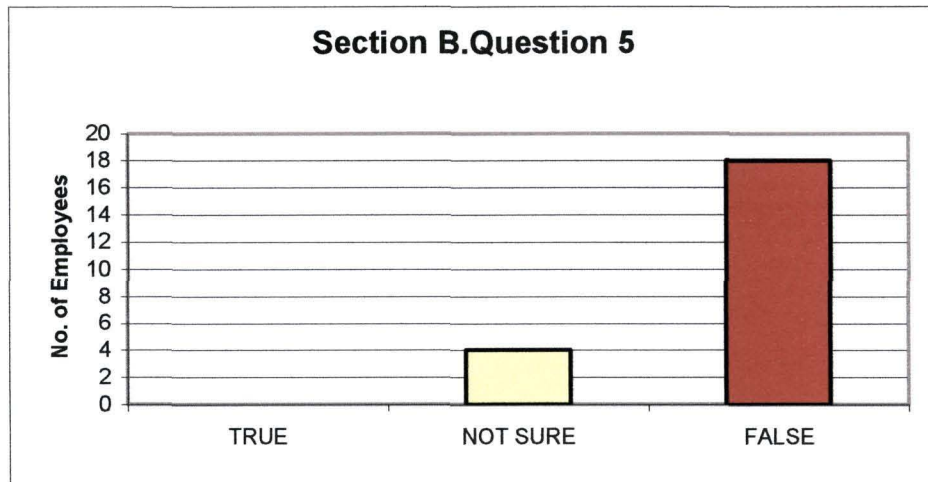


Figure 5.13: HR Executive's Influence on Management

The response was quite correct. A little more than 80% of the sample believed that this statement was false, the remainder being not sure, and that the HR Executive's input into major decision making would be un-biased.

In strategic HR Management, the role of the HR Executive is not to unduly influence the decision making process such that HR matters takes precedence of other issues, but to justify the input and actions of HR in these plans.

A balanced approach is called for, where the employees needs and requirements are considered and weighed against the needs and requirements of the objectives.

For example, in organisations where concerns for HR matters may influence the competitiveness of the firm, the input of the HR Executive is critical. By insisting that all the employees of the firm take a compulsory lunch break at a certain time of the day, the costs that could be incurred could result in the firm becoming unproductive and un-competitive.

Summary

The response by the majority of the respondents to this section of the questionnaire indicated a very good understanding of the research subject matter. The respondents were aware of the terminology and concepts used in general strategic management theory.

The respondents also displayed a good knowledge of the area of human resources management. This was important, since the Content specific questions were based on this subject matter. The researcher felt an added comfort that the answers to the Section C of the questionnaire would be able to provide additional information in answering the research question. A summary of the bar charts above have been consolidated in Figure 5.14 below.

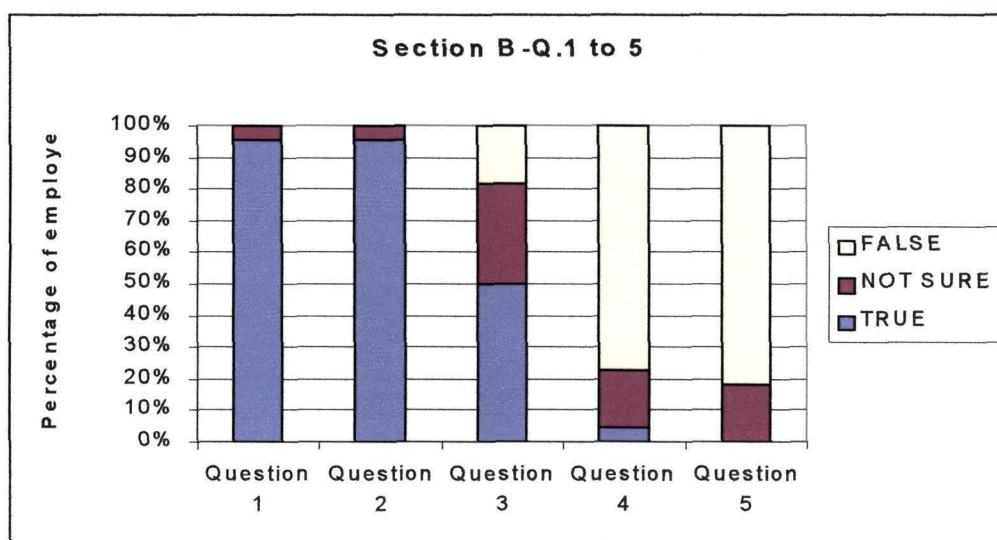


Figure 5.14 - Section B: Summary of General Orientation Questions

5.5.3 Section C

In this section, the respondents were tested on the specifics of the study, i.e. the level of strategic integration of human resources management with strategic planning.

The collation of the results of the findings of Section C of the questionnaire, have been included in the form of a bar charts and is presented below. The results of the twenty questions posed to the respondents will be used together with the

information from the case study to answer the research questions, by interpreting it alongside the Models offered.

The Question C 1:” In the SA National Roads Agency the Human Resources (HR) performs as an administrative division and is only responsible for managing employee matters elicited a varied response.”

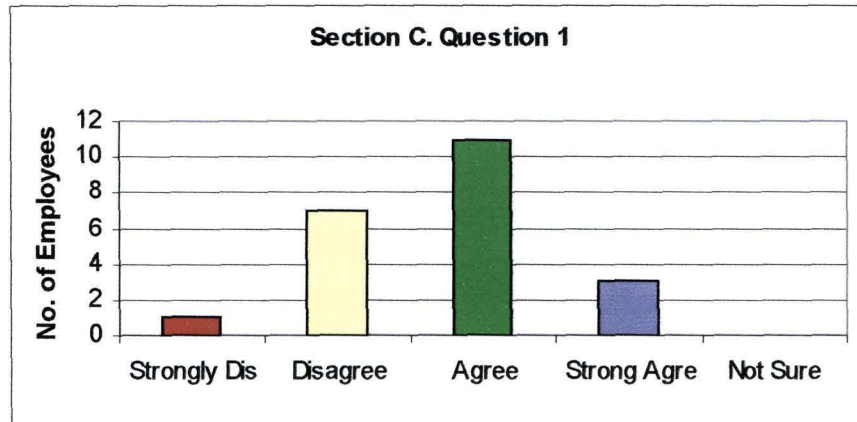


Figure 5.15: Role of HR Division in SANRAL

A little more than 60% “agreed” to “strongly agreed” that they viewed the HR Division as to being purely administrative in nature. The remaining 30% disagreeing, and +5% strongly disagreeing to this statement.

One of the reasons for this belief could be attributed to the fact that the majority of SANRAL’s current employees were recruited from the public service by SANRAL in 1998. During their employment with Government, they had developed a poor perception of HR Management processes and HR Division functions, believing that the HR plays an administrative role.

The role of the HR Department of SANRAL thus far has seen that very similar formula being followed. This could be due to the fact that this is the type of HR management that the CEO and the senior management preferred. The evidence presented in the case is testimony to this. Evidence presented also portray a need for the HR not to be more than an administrative division in the organisation presently.

The Question C.2, “In the South African National Roads Agency, HR Management functions are driven chiefly by responding to the instructions of Senior Management,” provides verification by 60% of the respondents, that this is true. 5% strongly dis-agreed, 20% disagreed, and 15% were not sure.

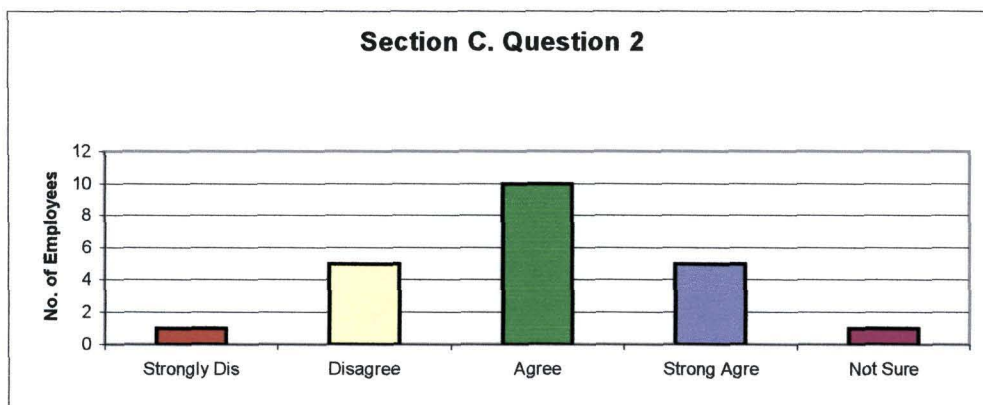


Figure 5.16: Influence of Senior Management on HR Division

The intention of this question was to elicit a view from the employees as to how they perceived the HR management processes and functions. If HR Management processes are being seen as a “top down” response, then this will assist in determining the linkages that exist between senior management and HR Division.

The employees of SANRAL, as confirmed by the response in Q.C.1, believe that the HR Division is an administrative division, and therefore would be reliant on the decisions made by senior management to base its processes and functions. HR Management is not viewed in a strategic light by the employees and hence, they may find it difficult to “view” these plans and processes as to taking on a strategic angle.

The Question 3, “In the SA National Roads Agency, the “HR Executive is deemed to be one of the most important members of the strategic management team,” reflected a 75% majority of “agree” answers, and 25% “disagreeing” to this statement. 5% were not sure. In asking the question above, it was intended to determine the perceptions that the respondents held of the “importance” of the HR Executive.

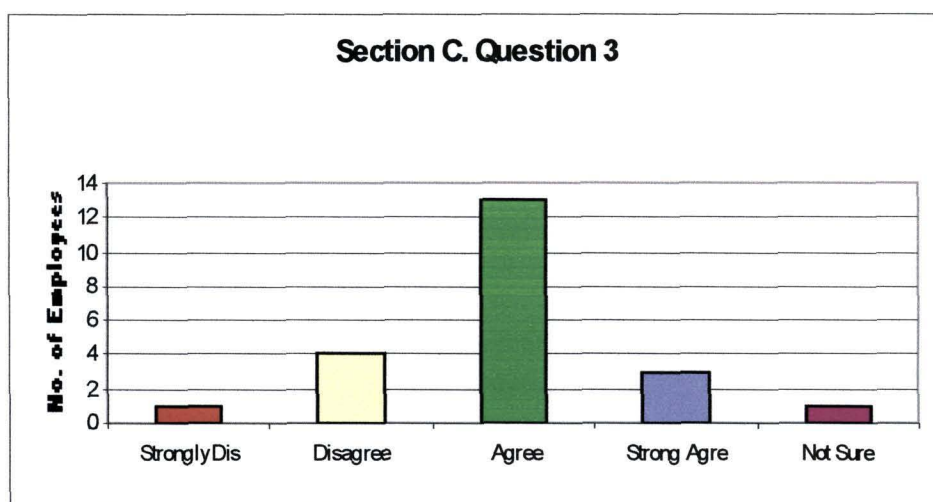


Figure 5.17: The Important Role of the HR Executive in the Strategic Team

This gives weight to the fact that the HR Executive should be thought of as an important member of the strategic team, and many respondents believed that this was true of the SANRAL organisation as well.

From the case study, it has been demonstrated that the SANRAL’s senior management considered the HR Executive as an important member of their team. In the case of the ex-HR Executive, she was involved very closely with the management team, and shared a close relationship with the CEO. She had been identified as being a part of the senior management team by most of the employees of SANRAL.

The Question 4, “In the SA National Roads Agency, the HR Division is recognised by the Senior Management and employees as an essential strategic component, necessary for the functioning of the organisation.”

For this question, more than 80% agreed to the statement, with the remaining disagreeing.

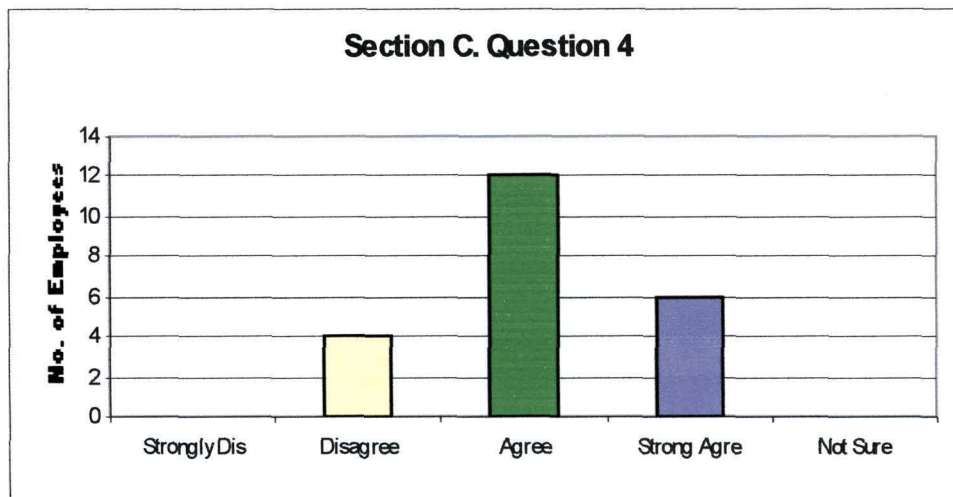


Figure 5.18: Strategic Importance of HR Division

Most believed that the HR Division is an essential “strategic” component in the organisation, yet the Question 1., confirms that the respondents believe that this role is the administrative contribution that HR Division makes to the organisation. The fact is that HR is an essential component to the organisation. However, the “strategic contribution” of HR elevates it from being a pure administrative role. This is not evident from this case study.

This also indicates the confusion that is clearly evident in this organisation as to the “strategic” role that the HR Management could play. For the employees of SANRAL, the HR Division and management processes, is deemed to be of key importance to the functioning of the organisation, but only because they can relate it to the functions that the HR Division are carrying out.

For the employees, the idea of HR Management taking on a strategic purpose is un-incomprehensible due to the exposure that they were given in their past relationships with HR management and also to the manner in which the HR management processes are now being dealt with in the SANRAL.

The case review supports this belief by the actions of the CEO and the Senior Executive team on their treatment of HR matters. The fact that the HR functions have been relegated to being an administrative function that is handled by mainly one person shows the extent of the HR's importance in this organisation.

The Question 5, “In the SA National Roads Agency the HR Division regularly updates the employees on how HR management is contributing to the planning and the achievement of the goals of the organisation through regular, reporting, articles, workshops and visits to the Regional Offices, etc,” received an overwhelmingly 95% dis-agreement to strongly disagreement to the question, with just 5% being unsure of the status.

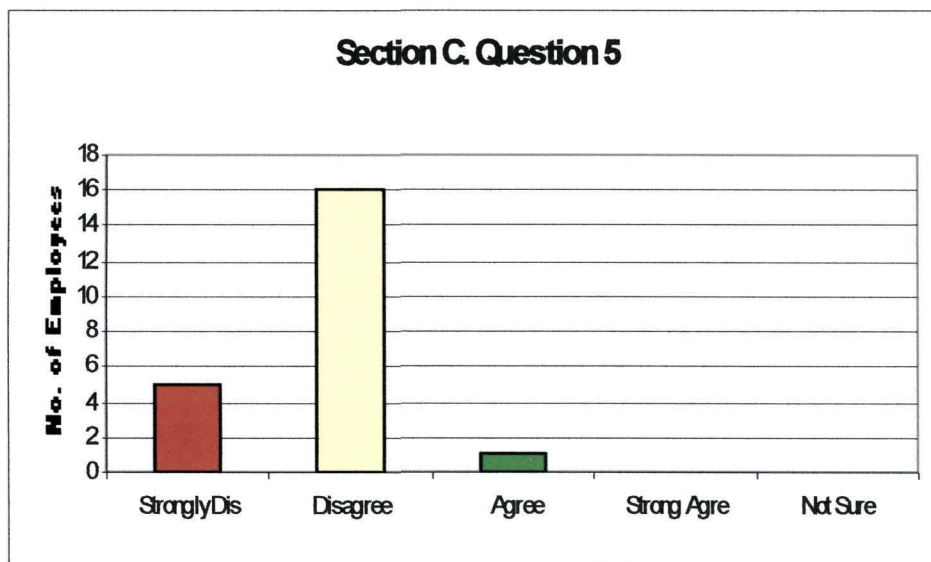


Figure 5.19: Communication between HR Division and Employees

This once again indicates the fact that the employees are not aware of the role of the HR Management in the SANRAL organisation. Whilst in Q.4, they believed that the HR Division is recognised as to being an essential strategic component, in the organisation; they strongly disagree that strategic management is carried out, as tested in Q.5. If HR is a strategic component then the HR Division should be carrying out the above-mentioned duties.

From evidence in the case the dissemination of HR information, and the role it is playing in assisting the organisation to achieve its objectives, to the employees is minimal and non-existent. This is demonstrated in many ways, such as the limited mention in internal newsletters, the strategic documents and the annual report 2004.

The Question 6, " In the SA National Roads Agency the HR Division operates professionally and HR management (processes, practices and policies) can be compared to other major organisations personnel departments." Here 45% for and 55% against the statement was recorded. 5% being unsure.

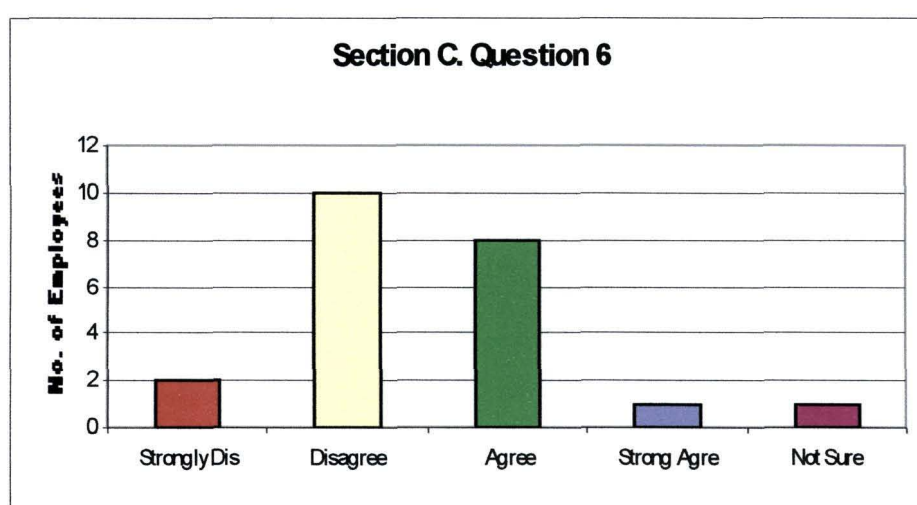


Figure 5.20: Professionalism in SANRAL's HR Division

The belief that the SANRAL's HR Division is operating professionally could be attributed to the fact that the HR Division is performing normal HR administrative type of function, which is easily done in many organisations.

The introduction of the Employee Self-Service" system in SANRAL also assists in some of these HR functions being carried over. From the case it has been mentioned that the HR Division spends a lot of time ensuring that the SANRAL is in compliance with legislation. This too will ensure that the HR matters are addressed, which conveys the impression that the Division itself is operating professionally. The other 55% who disagreed with this indicates that there exists

a problem that requires rectification from the HR Management perspective and a more detailed analysis should be conducted to zone into the problematic areas.

The Question 7, “In the SA National Roads Agency the HR Division has staff that are easily accessible and serve the requirements of the employees efficiently and timeously, is performing to your expectations.” Here 55% of the respondents disagreed, whilst 40% agreed, with 5% being unsure.

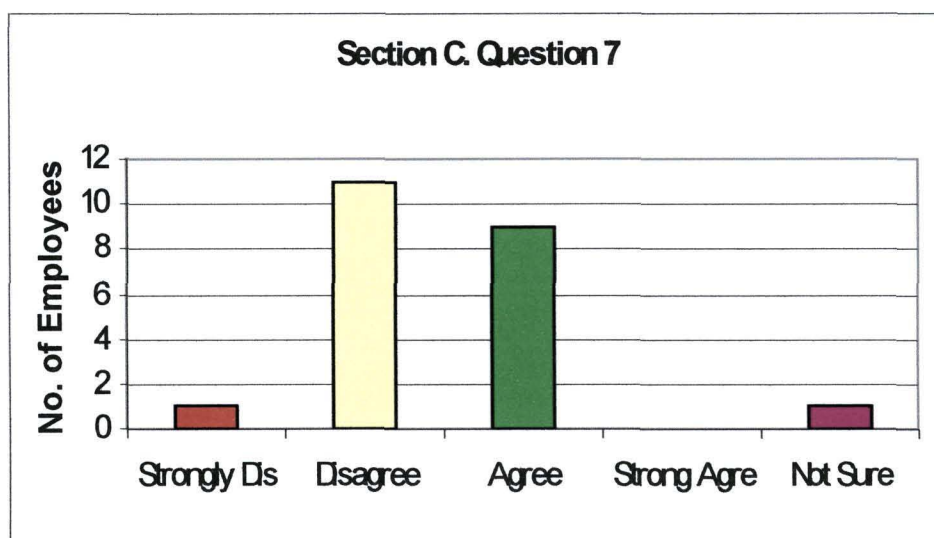


Figure 5.21: The Efficiency of the SANRAL’s HR Division’s Staff

As mentioned above, it appears as if SANRAL’s HR Division addressed the HR functions, to a reasonable degree, and this too could be attributed to the systems in place such as the ESS etc. Also, SANRAL’s Divisional Managers also play a role in facilitating certain HR functions, and this reduces the workload and accessibility on HR Division.

Employees also complained that some HR matters were not dealt with as speedily and efficiently as they would expect, and this could be confirmed from the discussions held with HR Division, where it was admitted that certain HR functions were affected mainly through the limited staff available to carry out these functions.

The Question 8, “In the SA National Roads Agency you believe that your needs, concerns and requirements are adequately addressed via your input with the HR Division/Executive,” was asked.

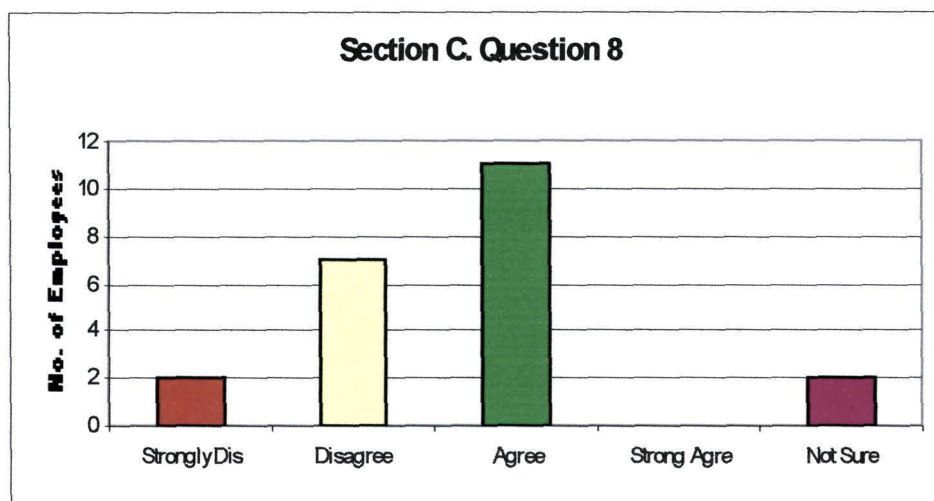


Figure 5.22: Capability of the HR Division

50% responded that they agreed to this statement. 30% disagreed and 10% strongly disagreed. 10% were unsure. One of the conclusions drawn was that “How and what” these needs are and addressed, is interpreted differently by many employees.

It could be interpreted that, for example, a request for the SANRAL to provide a crèche in the organisation, would be “adequately addressed” by a response from HR Executive, and an explanation as to why the SANRAL can or cannot accommodate this request would be given.

However, an example of an employee requesting a salary increase may be addressed correctly, but a negative outcome could result in the employee not agreeing to the above statement. The intention of this question was however, to test the employee’s perceptions that the HR matters are being dealt with irrespective of the nature of the query. This response does show that HR is performing in this aspect of its functions, satisfactorily.

The Question 9, “In the SA National Roads Agency the HR Division provides you with counselling and important guidelines on how to plan, build and manage your career.”

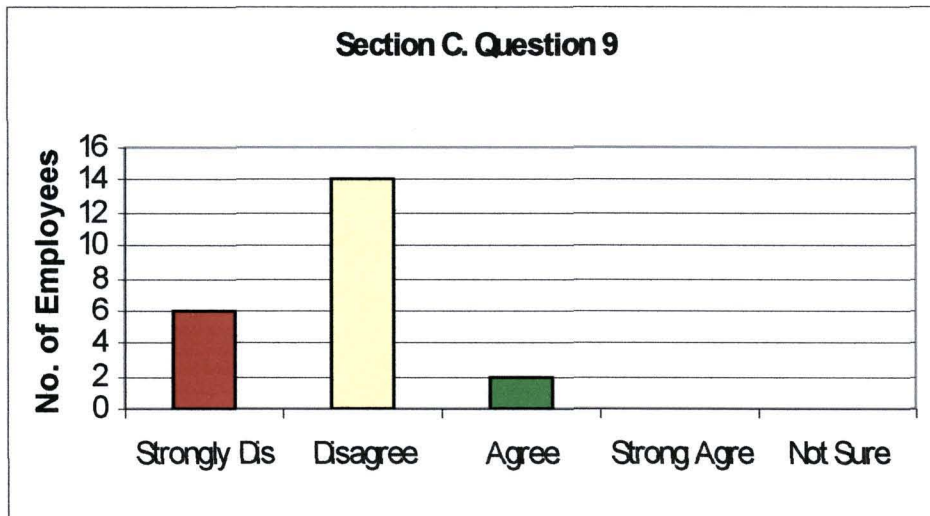


Figure 5.23: Employee relationship with HR Division

90% of the respondents indicated that they disagreed with this statement. Only 10% agreed.

It is common in flat structures for employees not to have the opportunities available to them for further advancement in the organisations, and this is one of the negative aspects of having a flat structure in place. This is apparent in SANRAL, where there appears to be many graduate employees, whose current positions may not be able to cater for the level of exposure and growth they require to develop further.

The lack of career development is one of the major concerns facing employees in a flat organisation. Research has shown that many people still aspire to remaining with their employers with the hope of being promoted. However, the studies also show that many felt that opportunities for advancement were not there or reserved for the privileged few.

From the case review, the lack of succession planning, coupled with no recruitment/retraining or development strategies in the SANRAL organisation, also plays a major role in the feelings expressed by the respondents. However,

according to their annual report for 2004, SANRAL has launched a strategy of job enrichment, job rotation and multi-skilling efforts to in order to support the career aspirations of the employees. This, however, was not made clear by HR management processes in place to the employees till current. Another failure of the communication processes in place.

The Question 10,"In the SA National Roads Agency, the practises and policies of HR management are easily understood and available to you," received a 60% response that this was agreeable. However, 30% disagreed, and 5% were un-sure.

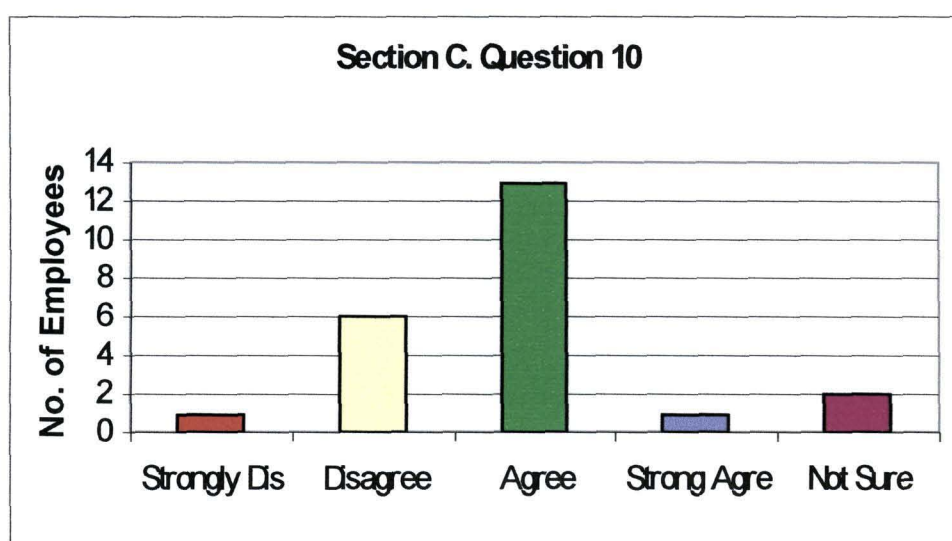


Figure 5.24: Access to and understanding HR Policies and Practises

The main reason for this was that most of the employees took it upon themselves to familiarise themselves with these practises and policies. The other reason could be attributed to the fact that many employees believe that HR management is the same as HR functions and therefore confused the two.

From Questions 11 to 20, the respondents were told the following:

“ Firms that practice Strategic HR Management carry out the following practices listed below”... and then, asked if they believed that the SANRAL also carried out the same practises.

The intention of this section was to determine how strategically integrated HR Management was with regards to the organisational objectives.

The Question 11 “the Strategic Management team includes the HR Executive in all their discussions about the plans of the organisation”, only 55% of the respondents believed this to be true, 15% disagreed, whilst 30% were not sure, that this took place in the SANRAL.

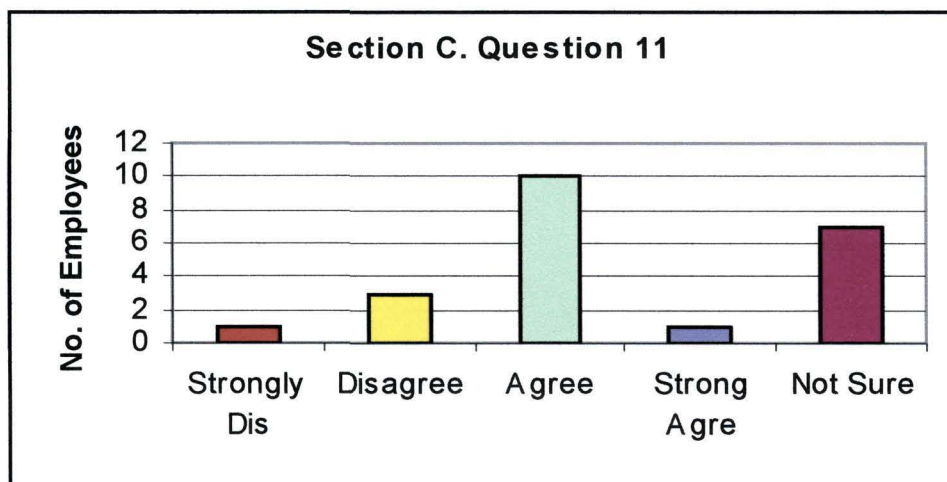


Figure 5.25: Relationship between Strategic Team and HR Executive

This was correct as the case review also confirms that whilst the HR Executive was involved in the strategic management processes, little evidence is available with regards to the outputs specifically in terms of HR objectives.

The Question 12 “HR Management supports the goals and objectives of the organisation by ensuring that the systems in place allow the employees the means and opportunities to achieve these goals and objectives”, received a similar response as Q.11 above.

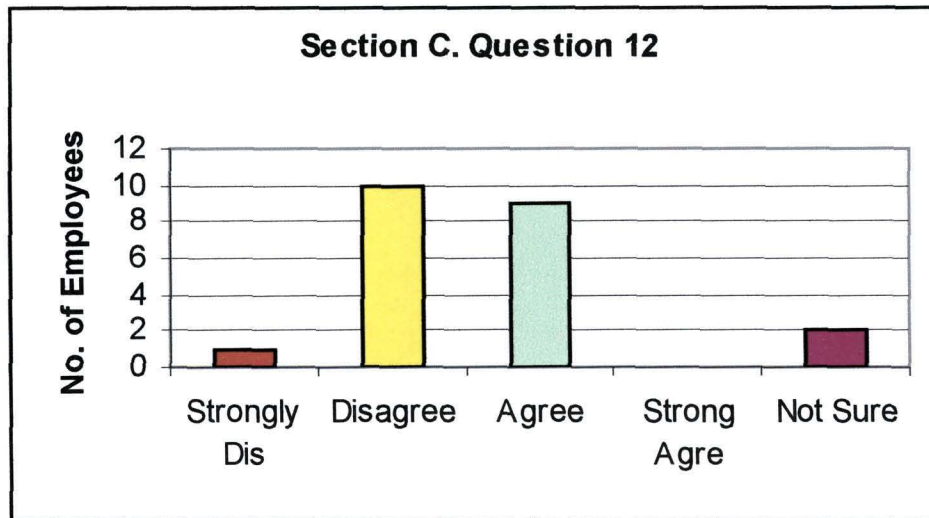


Figure 5.26: HR Management supporting organisation’s goals and objectives

40% of the employees believed that with regards to the achievement of the goals and objectives, there existed sufficient processes in place to carry out these tasks.

However, 50% disagreed to strongly disagreed. 10% were not sure It was not surprising that the respondents believed this to be the case, since it has been proven that the HR management in SANRAL is reactive to the objectives of the organisation, thus there would be the systems in place to carry out these objectives.

The Question 13 “HR Management ensures that fair and equitable reward systems are put in place and these reward systems are driven by the achievement of objectives”, elicited an agreement to this statement from 35% of the respondents.

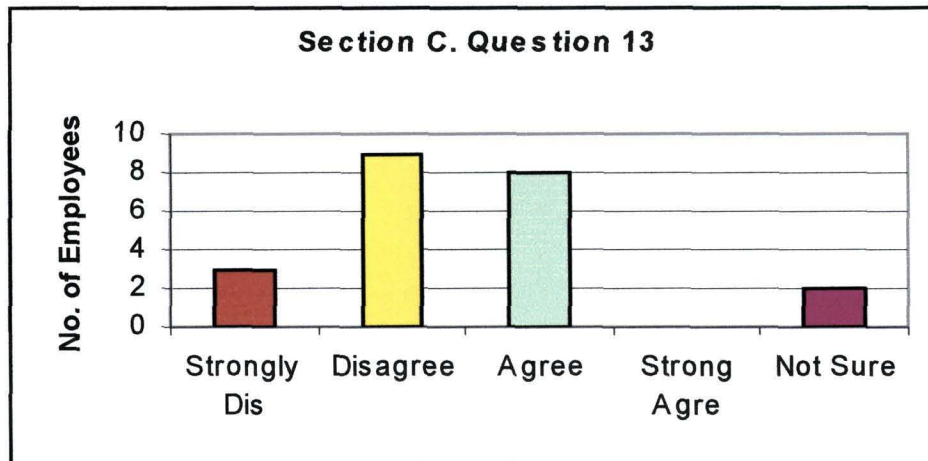


Figure 5.27: HR Management practises ensures fair and equitable Reward Systems.

From the investigation, the employees expressed a serious concern regarding reward management in SANRAL. This recorded one of the lowest scores as well in the BC Survey 2003. This will account for 55% of the sample disagreeing to strongly disagreeing to this statement. 10% were unsure.

Promotions are often far and few between for those in flatter organisations and positions are strongly competed for. Age carries a negative aspect to it when competition for these positions is vied for from employees far younger.

The Question 14, “HR Management ensures that the Manager’s relationship with employees is formed around the policies, practises and programmes of employees based on a HR plan”.

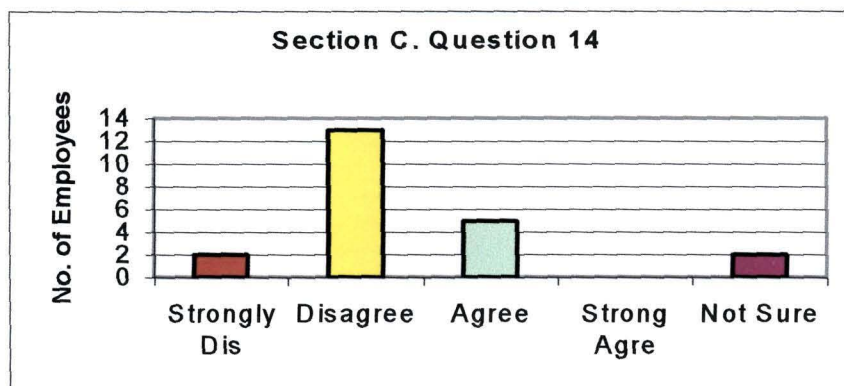


Figure 5.28: Availability of An HR Plan

This recorded a 70% disagreement to the statement as being a reflection of the SANRAL organisation. Only 20% of the respondents believed that this was happening in the organisation, whilst 10% were unsure.

The Question 15, “HR Management ensures that the Board receives regular reports on all HR matters of the organisation,” recorded the highest number of “Not sure” answers from 40% of the respondents, whilst just as many (35%) believed that this happened. 25% disagreed to this statement

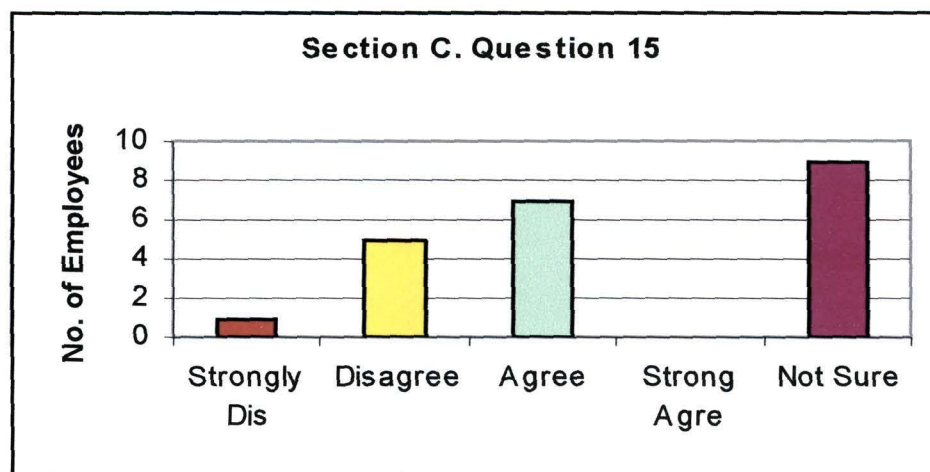


Figure 5.29: The Involvement of the SANRAL’s Board in HR Matters

Strategic HR management ensures that just as financial performance is discussed at Board level, so to must the performance of it human resources. However, with the SANRAL organisation, this is not the scenario. According to

Senior Management, the Board has not been mandated to consider this as a part of their functions, but rather to advise and assist in strategic direction and policies.

The Question 16, “the HR Division behaves as a business unit with the view that the employee is the ‘customer’.” 70% of the employees strongly disagreed to this type of approach being used by the SANRAL’s HR Division, and this could be accepted given the limited resources of SANRAL. 15% agreed to strongly agreed to this statement, whilst 15% were unsure.

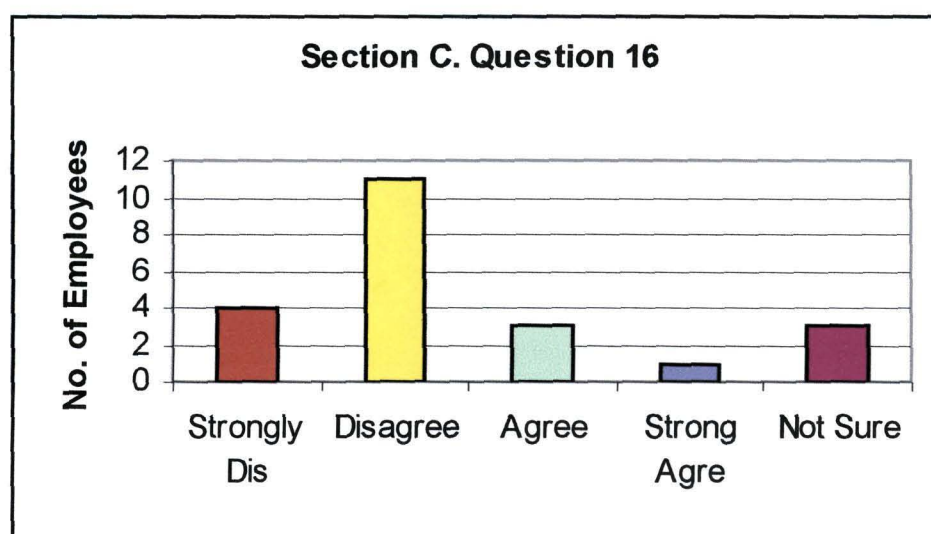


Figure 5.30: HR Division as a Business Unit of SANRAL

It is beyond the ability of the HR practitioner to carry out no more than the required HR functions currently. Any additional attention to the enhancement of the functioning of the HR Division would require a restructuring of the HR Division. However, this could be achieved if the HR Management processes were to take on a strategic vein.

The Question 17, “HR Management focuses on short, medium and long-term development of its employees and caters for changes within the organisation”.

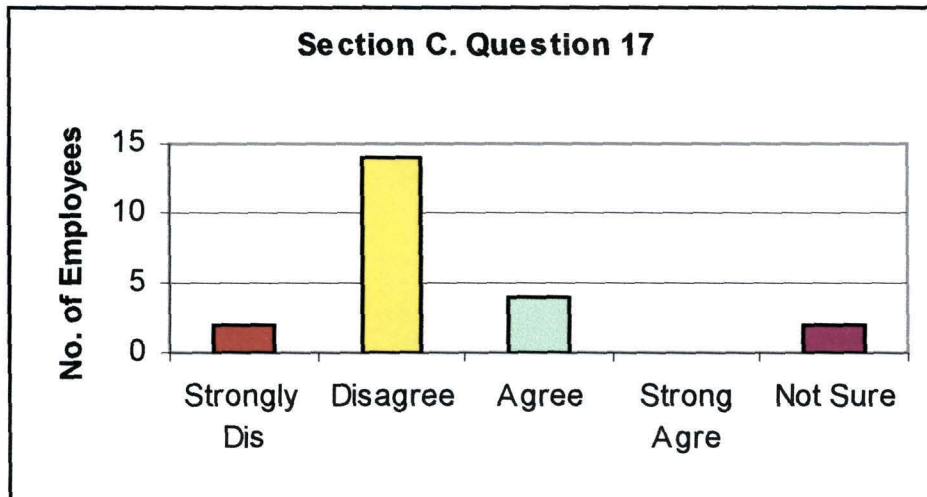


Figure 5.31: HR Management and Change Management

75% disagreed with this statement. 15% agreed whilst 10% were unsure. There is a concern within the organisation that senior management does not cater adequately for the development of all employees equally. Many feel that the emphasis placed on the engineering aspect of the business detracts from the need to grow and develop employees from other disciplines of the business.

Within the organisation, there is a lack of development plans for the employees. The employees who are currently being assisted by SANRAL to undergo further studies are doing so merely out of a desire to improve their educational standings and not as a result of an HR Development and Training Plan.

It appears as if certain staff have been earmarked for further managerial training and development, yet this is also un-clear to the majority of employees. Succession planning is required for offices where there are employees reaching mandatory retirement soon. Yet here too no clear structured succession planning programmes are available.

The fact that that the organisational structure of the SANRAL is “flat”, is more of a reason for HR Management to have these Training and Development

programmes in place, in order to motivate and grow staff within their clusters. Whilst these programmes may not stem natural career progression, which would see employees resigning in search for brighter prospects, they would assist to maximise the talents and experience of these individuals whilst they are in the employment of the organisation. On this aspect of the BC Survey 2003 conducted, SANRAL employees scored lowly.

However, status was prevalent in hierarchical structures mainly because this type of structure allowed for vertical promotion, which typically always carried some privileges with it. Many people still see this type of structure, as a means to achieving status within the organisation, so flatter structures may not appeal to them.

Linked with that aspect is the 'inappropriate leadership sentiment' felt by many employees who feel most unhappy about their lack of career opportunities and blame it on poor management or leadership.

The Question 18,"HR Management ensures that the processes for the job evaluation system in assigning grades and salaries are acceptable to both management and employee."

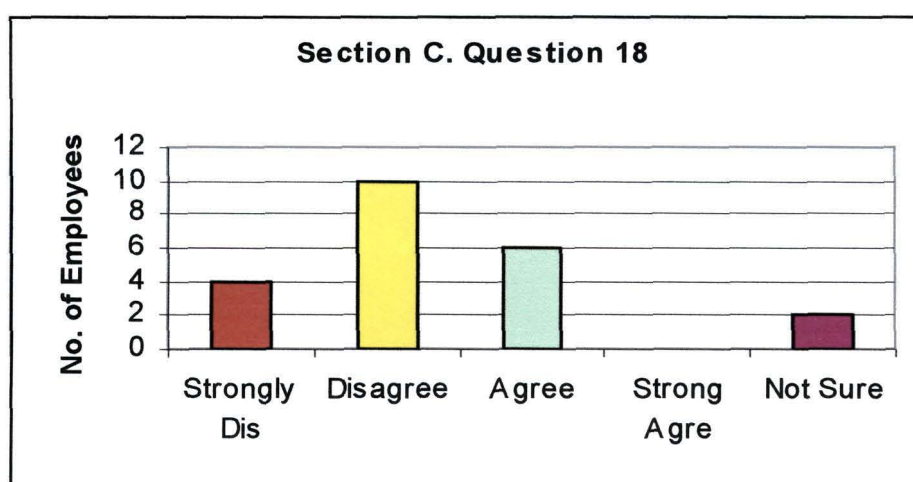


Figure 5.32: HR Management and the Job Evaluation Systems

Before referring to the respondent's answers, it has been the concern of the entire organisation's employees that the remuneration packages are not market

related and also not in line with their responsibilities. Such was the dissatisfaction expressed that it scored the lowest score in the BC Survey 2003.

These feelings are echoed once again by the respondents of this survey where 65% felt that they were not being graded properly, and the systems in place do not adequately measure their worth to the business. During the last round of annual salary increases, many employees were disappointed by the increases received and such were their disconcertion, that they urgently requested a meeting with the Regional Manager to try and understand how these increases were determined. 25% of the respondents believed that they were being graded properly, whilst 10% were unsure.

It must also be noted that this behaviour was expressed in all the other regional offices as well. Another concern expressed by the employees was the lack of transparency in the allocation of a bonus to employees. Many employees were not aware that their colleagues received a bonus and were told expressly not to reveal that to anyone. Many felt that they should be aware of the criteria used to allocate a bonus to the employees.

The above is a serious issue, which could impact on the performance of the employees and have a concomitant effect on their achievement of the organisation's objectives. It appears, according to Holbeche (1989), that if people are un-happy with the way that they are paid, then they will also be unhappy about other things.

Research has shown that in flatter structures, individuals who were rewarded appropriately were less likely to complain, and when people received recognition this had a positive effect on their motivation.

The Question 19, “ the HR Executive is consulted before decisions regarding and affecting the employees and the organisation is made”. 35% of the respondents believed this to be true, whilst 60% disagreed. The remaining respondents (15%) were not sure.

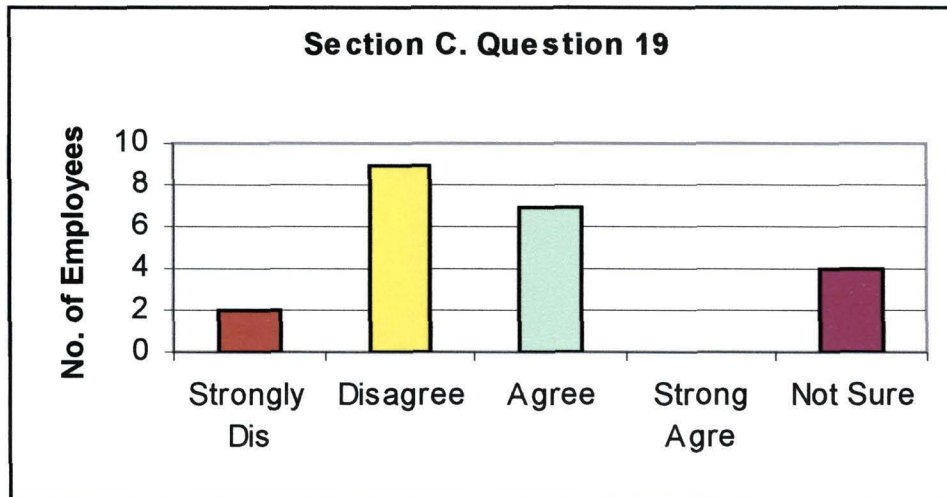


Figure 5.33: The HR Executive and decision making processes

From the review, it appears as if the HR Executive is not consulted on matters affecting the employees or the organisation. This has been demonstrated by the employment and retrenchment of individuals without the participation of the HR Executive/Practitioner in this process.

The lack of proper HR management systems and processes in place, together with the accepted trend for regional managers and managers to use the influence of the CEO directly on these matters. This has ensured that the authority and responsibility of the HR Executive has been diminished to the extent that it has become a response tool to the CEO and senior managers.

The Question 20, “HR Management is be able to provide management with a strategy on how to manage its employees relative to the changes affecting it, and guide them through this process.” 45% of the respondents believed this to be true, whilst 30% disagreed. The remaining respondents, 15%, were not sure.

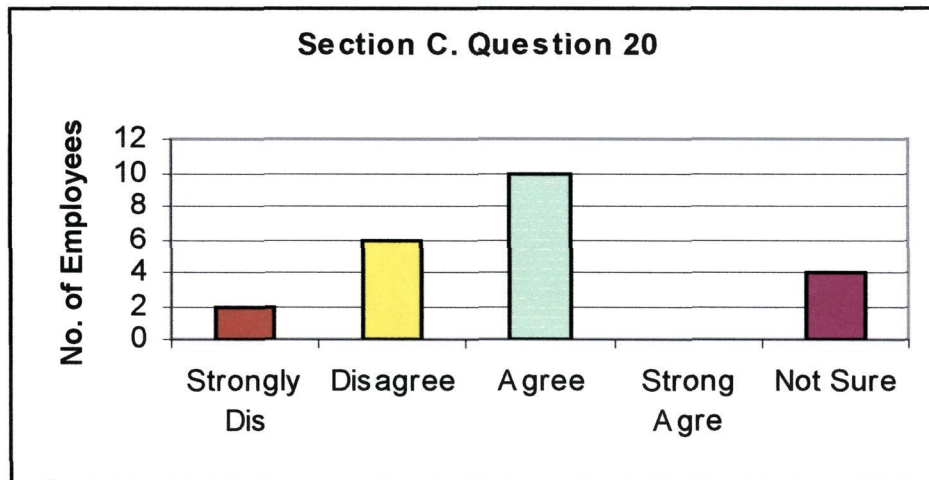


Figure 5.34: HR Management’s strategic contribution to Changes in the organisation

This indicates the lack of clarity that exists as to the contribution that HR Management could provide to the organisation. Considering that the SANRAL is affected or influenced by many changes to the environment, political and economical being the main factors, it is important that there are HR strategies in place to counter or promote any positive or negative impacts of these changes. These strategies do not appear to be available nor has HR Management within SANRAL promoted them.

From the case study, the HR management processes and practises in place are driven and in response to the objectives of the strategies. The policies are designed to suit the requirements of the employees after the impact of the objectives on these employees are determined. As mentioned in Cascio’s approach, this is done in reaction to the objectives selected. A summary of the bar charts above have been consolidated below.

Section C-Q1 to 20

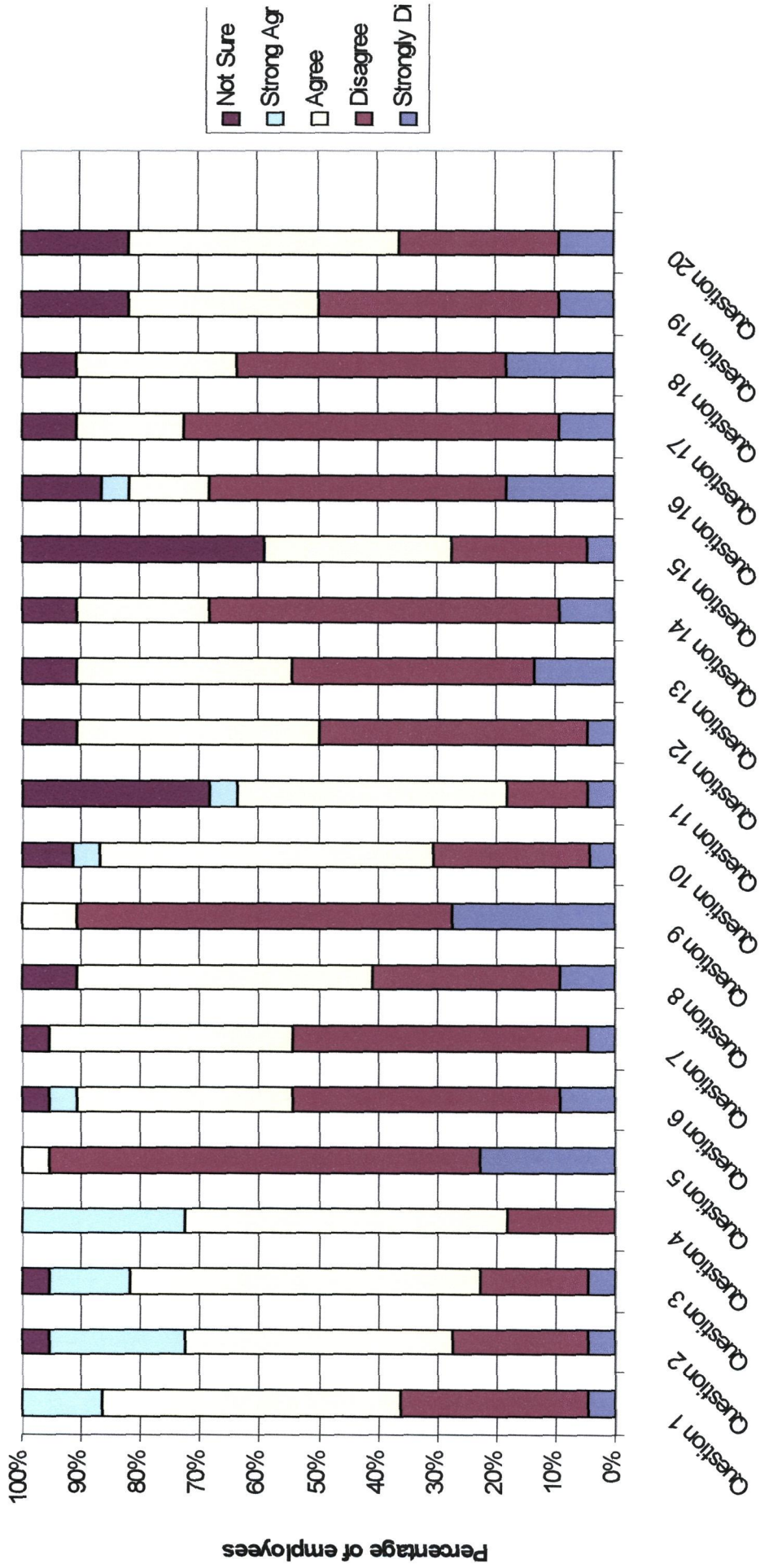


Figure 5.35: A consolidated Bar Chart of Section C.

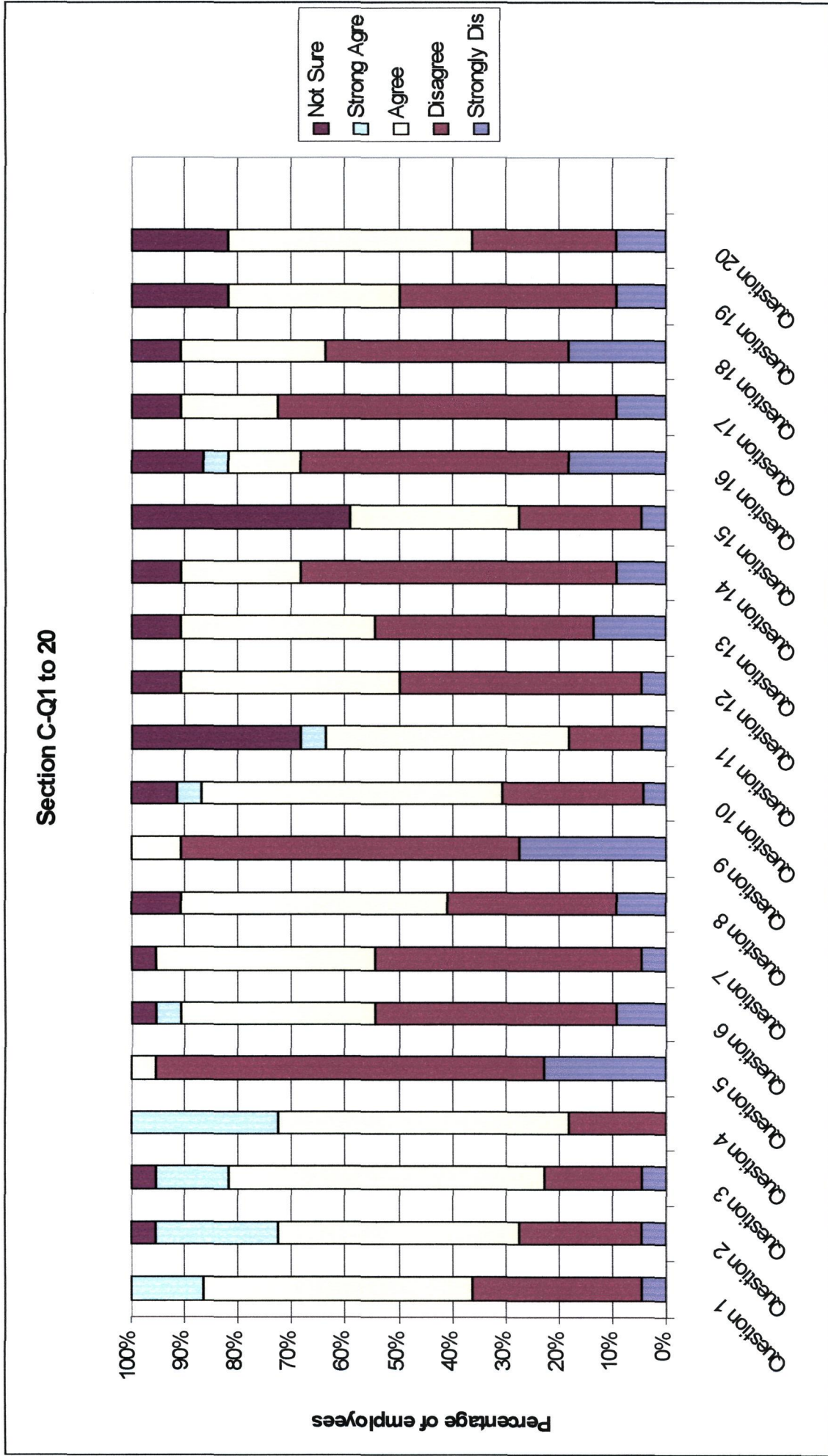


Figure 5.35: A consolidated Bar Chart of Section C.

organisation is able to achieve its objectives. The inclusion of the human resources element in the mission statement and stated as a core value of the organisation lends credence to this belief.

It has therefore been surprising to discover, through this research, that the level of attention dedicated to this element has been surprisingly poor over the last five years. This is evident from the outcome of the survey in which the SANRAL organisation took part in last year. The "Best Company to work for Survey (BC Survey)" was conducted in 2003, and SANRAL was placed 81st in 114 participating companies.

SANRAL employees registered low scores on essential HR aspects such as communication, diversity, training and development, change management to name but a few of the 11 lowest scoring attributes of the survey. The absence of HR involvement during this process and post survey feedback is another glaring fact that no much consideration has been given to address these areas of concern. The linkages that exist between the Resource component and Strategic Management process is dealt with further.

With regards to the organisational structure in place, SANRAL has adopted the flat structure, which is showing signs that it is not being utilised to its fullest. This is indicative that there should be other processes in place that could enhance the functionality of the structure.

As a result of the leaner organisation, employees are required to take on more work that is expected; since many organisations have not studied the workflow processes within their organisation, they may not be able to identify nor eliminate the un-necessary work processes that exist. Many people are saddled with the pressure to complete more than their share of work and this causes stress, since poor performance is viewed most often than not as a sign of inefficiency in organisations. This causes a feeling of insecurity and hampers performance.

Passing responsibility to lower rank employees more often than not caused a sense of loss of job satisfaction amongst more of the senior managers of the

organisation. These managers feel a loss as they lose control over areas of responsibility they considered their own. Hence they held onto to these areas, causing unnecessary duplication and wasting of time and resources.

Another one of the signs that the SANRAL's organisational structure is not functioning at its optimum relates directly to the main element that makes up this component, the organisational culture. Organisations in a rapidly changing environment should have a corporate culture and structure that allow it to respond quickly to perceived new demands. (Callahan et al, 1986). As employees have become more concerned with the quality of life in general they also have become concerned with the quality of life at the workplace. (Callahan et al, 1986)

To achieve their goal of meaningful and fulfilling work, employees have come to expect and demand changes in organisational structure, management behaviour and the design and scope of their own jobs. Studies show, however those employee expectations are not being met; and because these expectations are the motivating factors employees require to perform well, morale and performance levels have tended to drop. (Callahan et al, 1986)

Factors, other than insufficient productivity, have made managers aware that motivating employees is part of their job. These include the recognition that employee want more from their job than just economic rewards. The work force is also more educated and sophisticated and that external control and authority are not as effective as in the past. Employees are also becoming more militant in making demands to have more of their needs satisfied in the workplace. (Callahan et al, 1986).

Many theories and studies abound on the importance of having an organisation of motivated staff. Theories evaluating the quality of life, direction and choice of behavioural patterns and factors that will increase the likelihood of desired behaviour, all lead to one conclusion, the motivation of staff is critical to determining the immediate as well as future success of the organisation.

It has been quite evident from the review that the organisational culture of SANRAL is unclear to many of the employees. There exists, as pointed out earlier, a belief, stemming as a main result of the leadership of the firm, that the organisation focuses too much of its attention on the “engineering” element of the business and treats the other functions such as “finance and corporate services” as secondary. This applies to the people making up these elements.

The conflict about the actual status of the SANRAL organisation is also unclear with many employees. Some believe that the firm is an organ of the state, yet some believe that it is a “semi-private company”, whilst others don’t know and some hardly care. Employees believe that change management is required to address issues of racial tolerance and acceptance. The glaring absence of HR management processes to address these and other issues has contributed to an organisation where a clear organisational culture is absent.

HR management processes also drives the organisational structure functions. The adoption of the “cluster”, team-like method, has its advantages and disadvantages to the SANRAL. The limited human resources of the SANRAL together with the cluster approach have contributed to the development of employees and the sharing of information within the organisation. However, this has resulted in just a few selected employees being given the opportunities.

Problems arise when these employees, who have been given all the exposure and development, suddenly find that processes in place prevent him/her from advancing within the organisation. The lack of career progression as a result of these flat structures has led to situations whereby these employees resign to seek other prospects and in so doing creates a gap in the process. The failure of SANRAL’s HR management processes to identify “flaws” such as in the structure present and seek means to address it, is obvious by the lack of succession planning strategies, recruitment and retention strategies.

On the positive side, SANRAL’s flatter organisational structures have empowered employees on lower levels. Since it is easier to monitor individual performances, flatter structures can also recognise and remove the ‘dead-wood’. Flatter

structures have increased teamwork and cross-functional processes, creating multi-skilled talent, albeit for certain employees

As a result of being exposed to more tasks, employees are more employable and this has given them a sense of security. SANRAL's flat structure also offers a form of status since the employees have greater access to working with senior management.

The Strategic Planning component of SANRAL requires input from the Resources Component as well the organisational structure component to contribute to effective strategic formulation. The inclusion of both the Executives, that make up the main elements of this component, the Financial and Human Resources, is testament to their importance and contribution to this process.

As mentioned previously, HR Management processes also drive the organisational structure component. From the evidence presented in the case review etc. the envisaged contribution is neither reflected nor forthcoming from the role and presence of the HR Executive in this process. The details of this relationship and the outcomes are discussed further, in detail.

Strategic control in SANRAL would embrace its two main resources, financial and human. Strategic control of human resources is measured by strategies designed specifically to measure and monitor the employees' contribution to the achievement of the strategic goals and objectives of the organisation. These would include for example, performance-linked bonuses and reward management strategies. SANRAL does not have a clear policy nor HR management processes in place, on these important aspects of strategic management. It was an "area of concern" identified by the BC Survey, where it scored one of the lowest ratings.

Summary

The importance of HR in the strategic management process within SANRAL is acknowledged. However, there exists reluctance on the part of the CEO and

senior management to use this resource in a more effective and strategic manner than it does currently.

5.7 The Five Tasks of Strategic Management of SANRAL

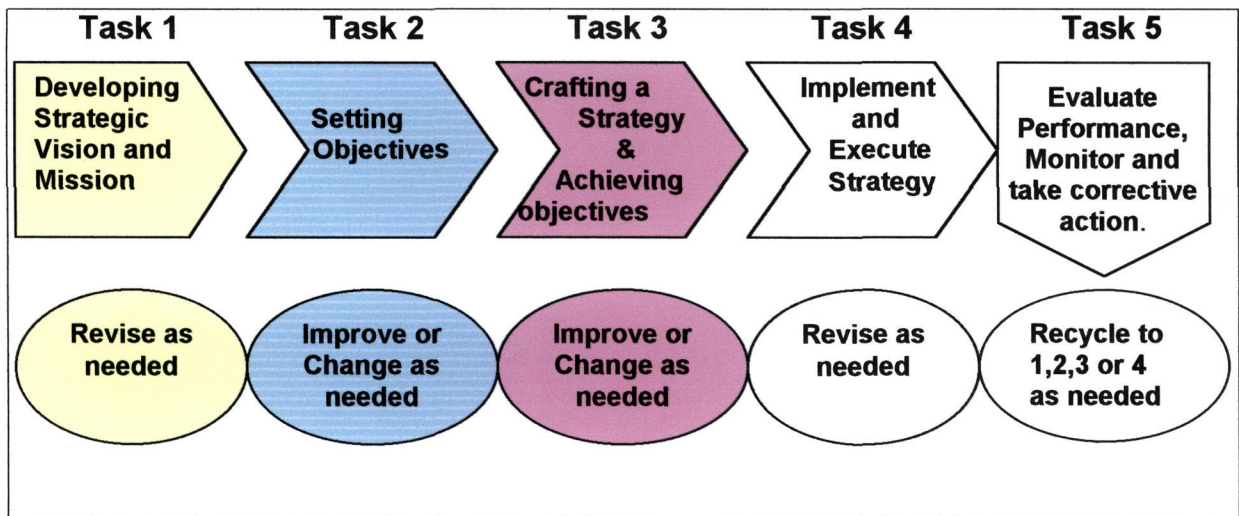


Figure 5.37: The Five Tasks of Strategic Management of SANRAL

The following discussion revolves around the first three of the Tasks of the above.

A. Vision and Mission Statements of SANRAL

SANRAL has a clear vision and mission statement in place and promotes them in most if not all of its strategic documents and reports. The issue as to whether these statements and vision are clear and understandable to all the employees of SANRAL or whether the employees understand its value and significance is not known and unfortunately not tested in this research.

There has also been no evidence forthcoming from the HR management processes in place to test this hypothesis as well. Mention is made in the Mission statement that the achievement of the vision of SANRAL would be done through a “highly motivated and professional team.” Evidence attest to the fact that SANRAL does not have the necessary HR strategies in place to ensure that the staff are kept highly motivated and the Section C analysis confirms this as well.

B. The Strategic Objectives of SANRAL

The CEO and the Senior Management of SANRAL have produced concise goals and objectives for the organisation. These objectives are set out in detail in the strategic documents, which are easily available and promoted within and beyond the organisation.

In this documents a systematic breakdown of the strategies required in achieving the SANRAL's goals, both long and short-term objectives for 2010 have been published. The inclusion of performance indicators to measure the progress of certain objectives has also been included

The documentation of these objectives, the first Horizon Twenty Ten Document was released in 2002, five years after the creation of the SANRAL. During the first five years, senior management alone knew the direction that the organisation was taking. Employees, however, were expected to follow suit. There had been no indication from the HR Executive as to the implications of these objectives on the resources of SANRAL. A subsequent document, the second edition, was released in July 2004.

Another document the Declaration of Intent document was also released in 2002. From here it was expected that the Regions interpret their contribution to the process of achieving the vision and goals of the SANRAL.

Although mentioned in great detail as to what objectives needed to be achieved in until 2010, little mention is made as to how the SANRAL intends achieving these goals with its current human resources. A glaring flaw in this document is the exclusion of human resources strategies. As mentioned earlier, it should have been the HR Executive's first priority to determine what the HR strategies would be in line of the action proposed by the senior management team.

The 2nd Edition of the Horizon 2010 document listed 30 key strategic challenges facing the transport sector of which the SANRAL had listed three challenges that

affected it directly, as a result of these challenges. Of the three, one challenge was the need to “consolidate our human resources and institutional arrangements to ensure effectiveness and a single point of responsibility”^{12 +13}.

The document then went on to identify five challenges that the SANRAL faced for 2010. It appeared ironical to some that the SANRAL correctly identified a strategic need to retain the human capital skills of the country, and also to develop it, yet little mention is made as to how it intends pursuing the same philosophy internally.

Even more of interest was the key objectives mentioned in this document. The SANRAL listed three objectives that could address the five challenges faced. Of these three, the need to “expand and maintain a primary road network”^{12 + 13}, and “direct traditional funds to non-toll roads and other social needs”¹³, would have a direct impact on the HR component of the organisation. One again no mention was made as to how this would be achieved given the HR resources at hand.

Strategies to execute these objectives are done at the functional level within the various offices of the SANRAL. However, there is an absence of a generic strategy or strategies within SANRAL that could be used as a base from which each regional office would work. If senior management knows this, then a clear lack of communication exists to the employees of SANRAL, as most are unaware of such strategies.

The knowledge of such a generic strategy would result in the regional managers and Executives and formulating their own strategies to address each objective to suit their environments. However, there will be an overall consistency in the direction taken by all. Evidence of a generic strategy or strategies within SANRAL were unknown or not clear. The absence of strategic human resources management processes meant that the practices and policies adopted by managers differed from other managers. This is evident within this organisation.

The organisational structure in place, with its method of working in “clusters” has managed to ensure that, to a degree, consistency and direction has been

achieved. This may not have been the purpose of the “clusters”, since there is an absence within each of the clusters of a link to the mission, long-term goals and objectives of SANRAL.

Many employees also felt totally excluded from the decision making process. This reinforces what has been said above. One of the ways in which an employee can partake in the decision making process is by his/her participation in the decision making process within the clusters as it would have a bearing on the objectives of the organisation. The above sentiment was another attribute of SANRAL that scored one of the lowest ratings by its employees in the BC Survey 2003.

Many employees believed that the Horizon 2010 and other documents are not “employee friendly,” since it excludes the strategic role of human resources management and involvement in achieving these objectives. None of these documents provide the employee with a structured plan as to how these objectives are going to be achieved with the resources on hand, or with the planned resources and within a specific time frame.

There is a clear absence of HR Strategies to monitor the performance of the organisation in relation to the attainment of this vision through its goals and objectives. It has not been made clear to employees whether there have been changes to the objectives of SANRAL since the first document was published.

C. SANRAL's Leadership

The leadership of SANRAL has played a major role in the development of the organisation, its strategies and in defining the organisation culture. This is most obvious in the leadership of the CEO of SANRAL. The CEO exerts a lot of influence on senior management and the employees. The influence on the senior management team manifests mostly in the manner in which they handle the influence of human resources on the organisation.

One of the most obvious hindrances to the progression of human resources management to a strategic level within SANRAL's could be placed squarely on

the influence of the above factors. As mentioned, it is only through the acceptance of the leader or the leadership within SANRAL of the necessities of certain strategies and systems, that “change management” would be possible and achievable.

SANRAL's senior management and CEO, appear to have an understanding as to the influence that HR has on the organisation and have gone to great lengths to ensure that certain systems and processes are in place. However, they have also shown a reluctance to allow the natural progression of the systems to the next level to take in place. This most obvious in the HR management of SANRAL..

The participation of the HR Executive in strategic management teams and decision making is the first but most important step in elevating the status of the HR of the organisation. However, this involvement becomes meaningless if the HR Executive fails to make a “strategic human resources” impact on the corporate strategies and reflected in the objectives of the organisation. This is unfortunately the scenario within the strategic management process of SANRAL.

Another important influence that the CEO and the senior managers have on the organisation is that on the organisational culture of the firm. As mentioned earlier, the working culture promoted by senior management was more of an “engineering firm” than a firm of project managers handling a kaleidoscope of work. Thus there appears to be a lack of co-operative spirit between the employees of the organisation.

Summary

What the above describes is the fact that SANRAL has complied with many of the tasks required to implement an effective strategic management process and thus achieve its objectives

However, there exists an ever-widening gap between employees and senior management in the interpretation and achievement of these objectives due largely to the lack of strategic human resources management involvement. This

bridge is necessary to link the employees' efforts of the employees with the strategic objectives of SANRAL. The most important influence in this matter is the CEO, and it is only with his "buy in" that the changes necessary can take place.

5.8 The Brewster and Larsen's Model of SANRAL

As it was mentioned in 5.2 above, the purpose of the information sought will assist in determining the positioning of the HR Division in the SANRAL organisation. Also mentioned is the fact that this positioning will help determine how HR is perceived by both management and employee and will therefore assist in providing the research with the answer to the questions of "How" HR is currently operating, and "where" it should strive to be.

Using Brewster and Larsen's Model will assist in answering those two questions, viz. the relationship between or linkages that exist between the strategic formulation and HR can be then identified. The information provided thus far from the analysis of the questions, the case study, interviews and discussions with the employees and documents relevant to the organisation will assist to determine this perception and the findings will then be applied to the Model of Brewster and Larsen.

Using the responses from the questionnaires above, interviews and to the information from Chapter Three, it is possible to plot the HR Division of SANRAL against the Brewster and Larsen's Model below. But first it is necessary to explain how this is done.

It has been determined that the HR Department of SANRAL operates at a low level of integration and could therefore easily fit into the quadrants of the 'Professional Mechanic' or the 'Wild West'. When in these positions, in neither case does the department play a strategic role.

This applies to the manner in which the current HR Department of SANRAL operates. Although there is participation by the HR Executive in the management

team, actual HR planning with strategic planning has not taken place and the HR Department currently does not perform at a strategic level

The HR Practitioner of SANRAL fits the profile of an employee within the Professional Mechanic quadrant. He is highly qualified and experienced. Here his role is highly specialised, as he deals with matters such as payroll administration, labour legislation, pension fund administration etc.

However, this also results in him having to forego the “strategic management” of the HR Department with regards to the HR Management of SANRAL, due to the lack of resources, and his failure to devolve authority to other persons within the Division. This could also be attributed to the fact that he may not have the “proper skills” to manage the department strategically.

The HR Executive of the Division is meant to ensure that their staff have the capability and the ability to promote this type of management. One of the main functions of the HR Executive would be to ensure that the HR Division is elevated to a strategic making role within the organisation. The case review has proven that the ex-HR Executive has failed to do so. The level of integration that is promoted between the HR function with HR Planning is low, and thus there has been little or no progress from the ex-HR Executive to create strategic human resources management in the organisation.

The failure to ensure that authority to carry out certain functions is devolved amongst the HR Division employees could be attributed to the fact that the resources in place do not warrant such devolvement. Other functions such as the outsourcing of certain functions and the ESS in place means that fewer staff are required with authority to carry out these functions. Nevertheless, considering what is currently in place, the development of authority within the HR Department is considered low.

To place the entire HR Division of SANRAL in the Wild West quadrant may not seem appropriate as not many of the attributes associated with this quadrant could be the scenario experienced at this organisation. From the research it has

been determined that employees of SANRAL do consider the Department to be functionally efficient, however, the question as to how effective the Division is, is displayed by its lack of strategic involvement in the strategic management processes.

The lack of HR involvement in these processes raises questions as to how effective the HR Division is within SANRAL. It has been determined that the ex-HR Executive was not as effective in this position as she should have been. Although the CEO is a determinant of the degree of her effectiveness, the time spent in this position by the HR Executive relative to her contribution, is an indicator of her in-effectiveness in this position.

The 'Guarded Strategist' quadrant occurs where the devolvement is low. This is true of SANRAL's HR Division. As mentioned above due to the flat structure and the limited staff available to carry out HR functions, authority delegation within the HR Division is very limited. The ESS system in place again is another factor that also accounts for the low level of devolvement that takes place here.

Typical of the characteristics associated with this quadrant the HR specialist does encounter problems such as coping with enormous the workloads. These are mostly mundane type of work that could contribute to making the position here frustrating for the HR Practitioner. For the HR Executive, her placement here is described as to being powerful, and this was true of the last HR Executive. The case review mentions that she frequently deputised for the CEO, adding credence to the fact that she was powerful.

However the placement of the HR Division within this quadrant is by no means a reflection of the movement of HR Management of SANRAL closer to a strategic participation level. It just puts into perspective how some of its current practises could be interpreted as to falling into such a quadrant. According to this model, the upper two quadrants are where the HR department becomes strategically involved. The involvement of the HR Executive in the strategic management team is indeed the first step to ensuring a strategic outlook for the HR Division.

From the information gleaned, it appears as if the SANRAL's HR Division displays some of the characteristics of HR Divisions of the three quadrants mentioned above. It is now possible to plot the SANRAL's position of the HR Division in the Model of Brewster and Larsen.

Plotting the HR Division below displays the influence of these quadrants on the SANRAL's own HR Division. SANRAL's HR Division displays a little of the characteristics of quadrants discussed above, and hence it is seen as to encroaching in all three quadrants. The major portion of this positioning could be seen as to lying in the "Professional Mechanic" quadrant.

The task facing SANRAL's HR department is to move to the 'Pivotal' position, where both the link with strategy and that with devolved authority must be promoted if progress is to be sustained.

A position Placement in the 'Pivotal' quadrant means that HR Management is fully integrated with that of the strategic management processes, and there is a high degree of devolved responsibility. Here the HR Executive and Senior Personnel Specialists operate as catalyst, facilitators and co-ordinators at the policy level of the organisation.

This is a 'Pivotal' position since small, highly respected personnel departments at policymaking level can exert a 'powerful influence.' This offers a demanding but attractive role for the department. The Brewster and Larsen's Model below has helped in clarifying the role and positioning of the current HR Department in the SANRAL. As mentioned the next step would be to determine how to move into the "Pivotal Quadrant."

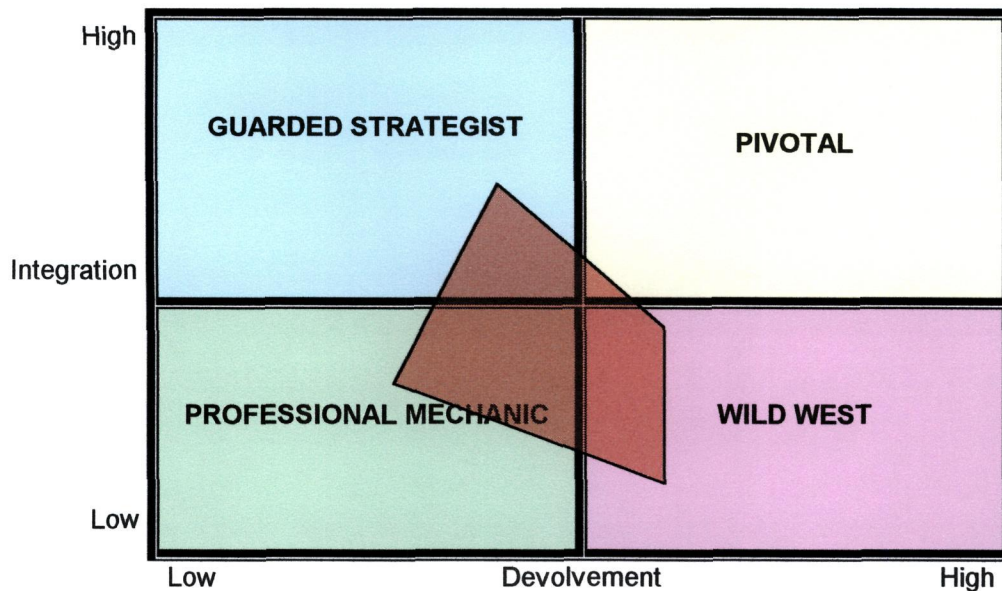


Figure 5.38: Brewster and Larsen's Model of the SANRAL's HR Division

With reference again to 5.2 earlier, the second and final step would be to determine the level of integration that is present in the organisation between the strategic planning function and the human resources function.

Given the information thus far it is now possible to plot this level using Noe's Model. This is discussed below.

5.9 Noe's Typology of SANRAL

From the case review, questionnaires, interviews and the Model above, the linkage that exists between Strategic Planning and HR Management in SANRAL can be plotted as indicated by the dotted purple block. The type of linkage and relationship present is explained below.

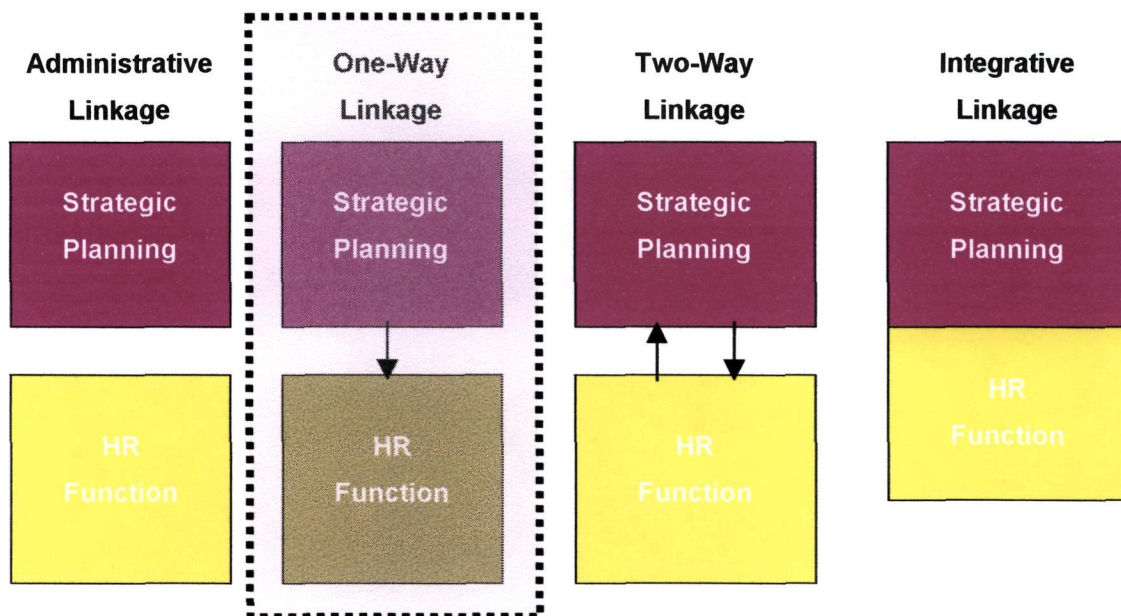


Figure 5.39: Noe's Typology of SANRAL

a) The Nature of the Linkage

The four levels of integration that exist, according to Noe's Model, are as follows:

- i. Administrative Linkage
- ii. One-Way Linkage
- iii. Two-Way Linkage
- iv. Fully Integrative Linkage

With reference to the Model above, according to the Noe et al (2000) if the HR Function is positioned at this level then a One-Way Linkage is displayed. This is evident in the SANRAL organisation, where the HR Division functions primarily to respond to the instructions of the CEO and senior management and behaves primarily as an administrative division to the organisation.

Decisions regarding the organisation's strategies are made, and then the human resources element is then incorporated into these plans. Evidence has been presented in the case review, where HR strategies are almost non-existent in the Horizon 2010 strategic document and others, presented by the senior management team, which sets out the goals and objectives of the SANRAL.

The CEO and senior management team of SANRAL have displayed their regard for the input of the HR element from the creation of the organisation to the formulation of the most recent strategies. The inclusion of the HR Executive in the team is evidence, as described by Noe that “ whilst this one-way linkage recognises the importance of Human Resources in implementing the strategic plan,” it precludes the company from “considering Human Resources issues while formulating the strategic plan.”

It appears as if the CEO of SANRAL supports what Noe (2000) purported earlier. That is, many people believe that this relationship or level of integration is what constitutes strategic Human Resources management i.e. it is the HR role to design systems and/or programmes that implement the strategic plan. It could be for this reason that there has been so little “buy in” from senior management in transforming the role of HR Management in SANRAL thus far.

Whilst the study clearly points to the fact that the level of integration clearly is a one-way linkage type that exists between the two functions, the SANRAL organisation also displays another type of linkage that also exists between the two

As mentioned above, there exists a distinct administrative linkage in SANRAL between HR Division and strategic management. Here HR function concentrates on day-to-day activities, and the HR Practitioner, Mr. Marius Vermuelen has neither the time nor the opportunities to take a strategic outlook towards its HR issues. Whilst unlike in a proper “administrative type of linkage” that exists in certain companies, in the SANRAL organisation, the organisations strategic business planning function exists with minimal input from the HR department, albeit in the presence of the HR Executive.

b) The Nature of the Interface

In analysing the nature of the linkage of the above linkage, cognisance has been taken of the following factors that have had an influence on:

- Degree of formalisation- It was determined that a formal relationship between the HR Executive and the Chief Executive Officer of SANRAL existed. Although the Chief Executive Officer included the HR Executive in the strategic planning sessions, there is little evidence to support that her input has had any significant and noticeable output with regards to HR Management.
- Degree of tightness- the interface present in the SANRAL is tight. In this situation, the HR Executive participated in the complete strategic process, and as a member of the strategic team.

5.10 Summary of the Chapter

It is not an easy road for organisations, especially those that were formed out of a desire to improve on the old, to start performing effectively from the get-go. It would require that a team of driven management and staff contribute as much as possible to this performance.

It is possible that in this quest to achieve its objectives, certain processes are taken for granted or its importance and relevance to the achievement of the objectives are so integral that it is considered as a “given” to the process. This philosophy may work, but it can sustain itself for a limited period of time before the “wheels start to come off”.

In the review of the SANRAL human resources are considered to be an integral makeup of the organisation. This is evident by way of its inclusion in the mission statement and has been considered as a “core value” of the organisation. However, as mentioned above, it appears as if senior management, since the inception of the organisation, has neglected this resource. This is demonstrable by the fact that the division that is meant to manage this resource has been given little or no recognition within the strategic makeup of the organisation.

One of the key factors for this has been the attitude and importance that the CEO has placed on this contribution of HR within the SANRAL. This attitude has also influenced the way that the remaining senior management members embrace

this contribution. Another factor has been the role of the HR Executive and team in SANRAL's human resources management. This has been negligible to non-existent.

Finally the influence of the working culture inherited, as a result of the employment of many employees from the ex-National Department of Transport: Chief Directorate Roads, has contributed to relegating the status of HR Management to the level it finds itself in this organisation.

The level of integration that exists clearly points to a shortcoming in the way that HR management is practised in the SANRAL organisation. From the literature presented it was noted that that "successful organisations practice strategic human resources management." SANRAL has set out keen objectives in its documents.

Only by moving into a level where there is total integration between the HR function and strategic planning, can SANRAL hope to achieve progress with regards to the accomplishment of its objectives. This level is the integrative linkage stage, and the movement into this level may not seem as difficult for the SANRAL organisation as it may for other organisations, since there are processes and practises in place already which would assist in this transformation. However, a much detailed set of recommendations are offered in the next and final Chapter Six of this study.

Chapter 6 - Recommendations and Conclusion

6.1 Introduction

In this chapter the recommendations to address the findings of the study will be discussed and proposed. These recommendations are certainly not exhaustive and are meant to provide a guide for the HR Executive in the analysis of the strategic role that HR can play in the organisation.

The level of integration of HR Functions with the strategic planning process to the fully integrative stage can only be achieved if the recommendations proposed are adopted. Here three stages of changes are proposed in order for this to happen. The first stage involves addressing those issues that can bring the current HR management into a strategic level.

The second stage involves addressing those issues that were impacting negatively on the current HR management processes and will continue to do when the HR management system takes on a strategic identity. Finally the third stage will discuss issues that have impacted indirectly on the HR management and will impact on Strategic HR Management in the future.

In the conclusion of this chapter, it is possible to see how with few, albeit important, and dramatic changes, the SANRAL's HR Management has the potential to provide the organisation with a more dynamic and effective support, in the form of it adopting a strategic role, than it does currently. These, in essence, contribute dramatically to the organisation's ability in reaching its goals and objectives.

6.2 Research Recommendations

In the previous Chapter, the positioning, the relationship and the level of integration of HR Management of SANRAL with Strategic Management was discussed and determined.

As a result of the SANRAL's HR Division being positioned (in the Model of Brewster and Larsen), it has inherited those characteristics, which prevent it from fulfilling a more important and necessary function that it does currently. This, however, does not mean that the "functions" performed currently are not important to SANRAL. They are functions that are to be expected for the normal functioning of any organisation.

In order to reach the objectives of the organisation, it is expected that all-important contributors play a more critical and effective role. This is expected from the HR Division as well, through the HR Management processes in place. The positioning of the HR Division can also be related to the relationship or linkage that exists with Strategic Management (Planning).

Using Noe's Typology the relationship that exists within SANRAL has been also determined and plotted as shown in the previous chapter. SANRAL finds itself in a "One-Way Linkage" relationship. Evidence presented in the literature review suggests that companies who practice this relationship are less likely to achieve their goals and objectives than companies who do.

Evidence presented also mentions that in order for the HR Management processes to take start contributing much more effectively it must take on a more strategic orientated approach. The approach would include its contribution, from its input into the strategic management processes, to the input to the functional aspects of the organisation.

In order for SANRAL's HR management system to be able to achieve this, it must become a strategic partner with the strategic management processes. This requires it to become fully integrative with the systems already in place.

From the findings in Chapter Four, the conclusion drawn was that the HR Management processes within the SANRAL were relatively conducive to being moved to the strategic level. In a gist, the “pieces of the puzzle” were all available, and it required a guiding hand and planning to ensure that the HR management process become strategically significant.

To ensure that that HR Management takes on a strategic role in the organisation certain changes need to take place. Some of these changes could be defined as to being essential to the processes of strategic changes whilst others could be done later rather than sooner. Some of these changes also have or has had a direct impact on the HR Management currently in place and therefore the recommendations put forth will follow the plan of action below.

- 6.2.1 Address those factors that have a direct influence on moving the HR Management to a strategic level.
- 6.2.2 Address those factors that have contributed negatively to the current HR management practises, and will continue in the strategic level as well.
- 6.2.3 Address those factors, which have had an indirect and negative influence on the current HR Management, and will impact on the Strategic HR Management in the future.

6.2.1 Moving the HR Management to a strategic level- Factors that have a direct influence

The factors identified that have a direct bearing on the ability of HR to take on a strategic role is identified, in order of importance, as follows:

- The perceptions of the CEO and strategic management team.
- The need to re-position the HR Division in the SANRAL organisation
- The need to strategically design the HR Division.

It is possible that the above changes will result in an increase in the level of integration that exists between HR Management and Strategic Planning.

6.2.1.1 Changing the attitudes and perceptions

The concept that will be used quite often during the remainder of this Chapter is called "Change". Robbins et al (2001,p.230) defines this concept as "the alteration of an organisation's environment, structure, technology or people."

External forces such as Government Acts and regulations, the economic situation of the country and the industry, technology advancement are some of the forces that can impact on the way the organisation operate. Internal forces can originate from the internal operations of the organisation itself or as a direct resultant from the effect of the external forces acting on the organisation.

Changes that occur in an organisation's structure can include an alteration in the "authority relationships", "degree centralisation", "job designs" or any other organisational "structure variables". The changes experienced in technology focuses primarily on continuous improvement initiatives of processes to support the operations of the company. And finally the changes in people refer to "changes in employee attitudes, expectations, perception or behaviour".

Ensuring that their strategies are aligned with the capabilities of its resources is a critical aspect of senior management during this phase and then throughout out the organisations life. It is important, therefore, that effective leadership is present in ensuring that relevant strategies are designed and implemented to deal with the changes on the internal organisation, and effective handling of crises and delegating of responsibilities will give the staff the confidence and the capability to carry this out. This person, as Robbins and Decenzo (2001, p.232) term them, "Change Agents" is a person who "initiates and assumes responsibility for managing change in the organisation"

Robbins and Decenzo (2001) mention that managers should be motivated to initiate the changes in the organisation because they are concerned with improving the organisation's effectiveness. They also go on to mention that change can also be seen as a threat to managers and non-managerial personnel as well.

SANRAL's HR Executive must endeavour to change the perceptions of the HR Division as viewed by the employees of the organisation. This would involve a change in attitudes of the CEO and senior management, Divisional Managers and finally project managers and administrative staff.

From the case review, it was identified that the most important attitude to change would be that of the senior management team. It has been the belief and the practice of senior management to view the role of HR management as to playing a supportive rather than a strategic role. This approach has been taken as it demonstrated the reluctance of the CEO and senior management to relinquish some of the authority to the other members of the management team.

By controlling the human resources management processes, the SANRAL's leaders were able to exert their control on the employees themselves. This may have been for several reasons as pointed out in the review. Nevertheless these perceptions have been instilled in management for the past five years and require a new outlook.

SANRAL's HR Executive must attempt to lessen the resistance expected. Literature has well documented evidence as to why people resist change and three common reasons have been forwarded for thought.

- i) Uncertainty
- ii) Concern over personal loss
- iii) The belief that changes is not in the best interest of the organisation.

On the issue of uncertainty, it is possible that the management of SANRAL is wary of introducing new processes and systems in place. From their perspective things appear to be functioning as they wish. To quote Tom Peter's, a management writer, who says that the old saying, "if ain't broke, don't fix it," no longer applies, he suggests that the "if it ain't broke, you haven't looked hard enough, fix it anyway!" This should be the philosophy that the HR Executive should drive home.

To address the issue of uncertainty it is important for the HR Executive to identify the current systems and processes in place that would benefit from HR taking on a more strategic role. The HR Executive must ensure that as a trained specialist in her field, she must be able to present her findings to management and not be swayed over by the resistance to her suggestions. A negative reaction by management to her suggestions for changes must be based on evidence and not on opinions.

The second cause of resistance the HR Executive should attempt to change would be the concern over personal loss or the fear of losing what one has already possessed. Robbins et al (2001) mention that people who have a lot invested in the current system are most reluctant to change. This could mean amongst others the loss of their position and authority. It is most noticeable amongst senior employees and management.

The strategic role of HR in SANRAL would cause the loss of authority and power to senior management. As mentioned in the case review, the SANRAL senior management has followed the cue taken by the CEO on his handling of HR matters. The introduction of a system that deprives this team of the authority they have "enjoyed" over the past five years will definitely cause them to be resistant to these changes. The HR Executive however has to take the impact of this current system into account and the effect that it is having on the organisation. Evidence has proven that the employees of SANRAL are keen on supporting a system that will prevent the past trends from recurring.

Finally the belief that the changes are not in the best interest of the organisation should be the easiest form of resistance to overcome. The HR Executive need only produce evidence as to why the current systems are not conducive to effective organisational performance, and compare it to the changes proposed. If anything any forms of resistance, arising out of this belief can be taken and used positively. It, for example, can be used to highlight a shortfall of the proposed changes. As for the first resistance to change discussed above; the HR Executive must be at pains to point out the differences between HR management in SANRAL and Strategic HR Management in SANRAL.

Changing the perception and gaining acceptance of the SANRAL employees of changes to the HR systems in place could be easier than changing those of senior management's. Ultimately, employees will respond much quicker to a tangible than an intangible change in the way they view the role of HR Management. Employees would want to reap the benefits of the changes that take place within HR, and unless the changes in HR management to strategic HR management allows for and supports this, then HR management will continue to be perceived and supported as it is happening currently in SANRAL.

a) Reducing Resistance to Organisational Change

There are several interpretations to the above, and it ranges from one extreme to the other. These techniques are unfortunately only as effective as it is relative to the position of power of the person attempting to reduce that resistance.

Some of these techniques include:

- Education and Communication
- Participation
- Facilitation and support
- Negotiation
- Manipulation and co-optation
- Coercion

All of these techniques have their advantages and disadvantages and are suggestive as to where it could be used and under what circumstances. In the scenario of the SANRAL organisation, the "education and communication technique" could be used as it could help to clear any misunderstandings that senior management may have on strategic human resources management, and if that resistance is based or due to misinformation. The disadvantage lies in the HR Executive not portraying a credible picture to senior management.

Another technique that may work is "negotiation". SANRAL's HR Executive could suggest to the senior management that changes be done incrementally until it

reaches a stage where evidence of the impact that SHRM is making on the organisation is visible. Failure to reach a target could be a negotiated reason for the HR Executive to terminate the changes. The main disadvantage to this is that certain processes within the strategic HR management system may be costly to implement and termination of the programmed changes could point fingers at the credibility one again of the HR Executive

Whilst “manipulation and co-optation” may seem attractive a technique to use to when a “powerful groups endorsement is required”, it requires that the HR Executive manipulate certain facts to make the change appear more attractive. However, given the necessity of the need for change, it is most unlikely that a manipulative technique would be advised.

6.2.1.2 Repositioning the HR Division

Working on the belief that the SANRAL’s HR Executive has received the support and blessing of the CEO and senior management, based on the evidence available and presented, the next step would be for the HR Executive to prepare the HR Division for its strategic role.

The HR Division must be repositioned so that it will be able to contribute to the strategic human resources management process. It must be supportive of the system and this would involve the current HR Division undergoing a physical and intellectual transformation.

A belief propounded by Robbins et al make mention of organisations whose HR divisions have adopted the philosophy of viewing the employees as customers. This belief is based on the role that the HR Division takes, that being a business unit of the organisation. This may be a starting point for SANRAL, as well, if they would view their HR Division as to being a separate but interlinked division. One of the main benefits from this would be the identification of the Division as an important and necessary strategic contributor to the organisation from all employees of the organisation.

For the present, however, the objective for the HR Executive would be to reposition the division and this could be achieved by undertaking the following:

1. **Creating an HR Philosophy:** The importance of creating a separate but identifiable HR Philosophy that will drive the HR management processes and form a link with the philosophy of the organisation, will ensure that the division is perceived as being an important link in the SANRAL's strategic management chain. It is a philosophy that will also encourage the HR staff to strive towards fulfilling this philosophy.
2. **Creating a Vision and Mission Statement for the HR Division:** The ability of the division to function effectively would be greatly enhanced if it has its own vision and mission statement as to how it intends realising the overall objectives of the organisation.
3. **Determining its own objectives:** The HR management processes must set achievable objectives for its HR Division, which ultimately will enhance the attainment of the organisations overall objectives.
4. **Aligning the organisation's business strategies with the strategies of HR:** The HR Division must determine the HR strategies that will support the achievement of the goals of the organisation, and these strategies must be aligned with the strategies of the organisation.

The above first three points are guiding and conceptual principles that the HR Executive should follow in the preparation for the repositioning of the HR Division.

The second important step would be to start implementing these changes mentioned in Point 4, by reviewing the policies and systems in place to ensure that they support the organisation's strategies. This is only possible if the HR Division is trained to undertake such an analysis. Therefore, a restructuring of the HR's Division and staff must take place.

6.2.1.3 Strategically Designing and Re-structuring the Human Resources Division

One of the more important tasks that will be required of the HR Executive would be to critically examine the structure and the performance of the HR Division. It would, ironically need to be conducted beginning with:

- a) A self-assessment of the HR Executive.
- b) This would be followed by a re-organisation of the HR Division itself, which would include the HR Staff, followed finally:
- c) By an analysis of the HR strategies in place (if any exists) and the introduction of new HR strategies.

a) The Strategic Human Resources Executive of SANRAL

To effect these changes, as is required in an organisation, an effective “leader” is required. The role of the HR Executive in the strategic environment makes this person the “source of people expertise”. This would require of the HR Executive to know how the employees can play an advantageous role in the policies programmes and practises. Noe et al (2000,p66)

The four basic competencies of the Strategic HR Executive are shown in the Figure 5.1 below.

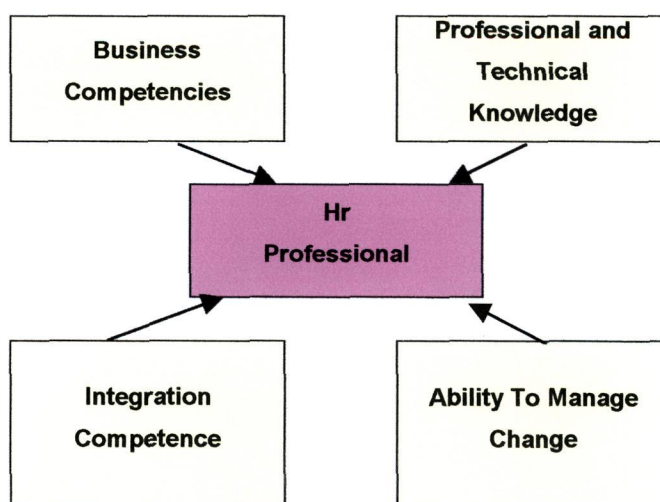


Figure 6.1: Human Resource Competencies: Noe et al (2000,p.66)

Briefly the HR Executive must have a good knowledge of the business, as the decisions made must be able to support the organisations. Having the “business competence” would enable the person to design supporting HR strategies to supplement and complement the overall objectives of the organisation. Given the fact that the SANRAL is a small organisation, that has an engineering culture driving it, the HR Executive must be able to gain a good understanding of the manner in which engineers (they make up the majority of the staff) undertake their work functions. However, given the fact that the organisation professes to be an organisation of project managers, then the emphasis for the HR Executive should also be on understanding of project management principles.

It is important for the HR Executive to also have a “professional and technical knowledge” of the state of the art HR practises, new techniques for staffing, development and performance appraisals, etc. These techniques must be used only if it has a direct benefit to the organisation. In the SANRAL, an online employee assessment system has been introduced whereby the employees are able to use this facility to seek professional help with regards to stress related matters, counselling for illnesses, etc. These matters are addressed in strict confidence by the external organisation and only statistics of relevance are forwarded to the SANRAL’s HR practitioner for use in HR related solutions.

The HR Executive must also be skilled in the “management of change processes”. Noe et al (2000) includes the ability of the HR Executive to diagnose problems, implement organisational change and evaluate these results as part of the duties of the HR Executive here. They go on further to mention that each time the organisation changes its strategy even in the slightest manner then the organisation must be able to change. Here the HR Executive must have the skills to oversee the changes that impact on the employees, in a way that it ensures success. In survey conducted by the Fortune 500 magazine, it was found that 87 percent of the organisations had organisation development/change function as part of the HR Department.

In SANRAL, the ability to manage change is a pre-requisite for the HR Executive. The implementation of a strategic HR management process will result in dramatic

changes for the whole organisation. The HR Executive must be seen as to being the person who would be able to navigate the organisation through the “white waters”.

Integration competence refers to the ability of the HR Executive to “integrate the other three competencies to increase the company’s value.” Noe et al (2000,p.67). This requires a person whom apart from having the specialist knowledge necessary for this role should also have a generalist perspective in making decisions. The ability to see how all the functions within HR fit together to be effective and changes in one part impact on the others is important. This ability is essential when SANRAL’s HR Executive determines specific HR strategies to support the organisational strategies.

Taking the above in account the SANRAL’s HR Executive could try a self assessment questionnaire, for example considering the following questions:

- Can the Corporate Executive’s apportion her time adequately such that the needs and requirements of the HR Division are adequately served in the event that HR Management takes on a strategic role?
- Does the Corporate Executive have the capability of introducing and managing strategic HR management changes and HR strategies in the organisation?
- Does the Corporate Executive have the support of the organisation in effecting these changes?

b.) The Human Resources Division

As discovered from the preceding chapters the current structure of the Human Resources Division is not conducive to fulfilling a strategic role. The organisational structure must be adapted to suit the requirements of the four objectives that was mentioned above. It must be able to carry out the strategic requirements of the human resources management processes.

The physical transformation needed would include resources that will enable the HR Division to function more effectively and efficiently. The division must be

structured in such a manner that it would not allow the administrative requirements of the organisation to detract from its strategic purposes. The introduction of the ESS, is once such technology that has improved the efficiency of the HR management systems of SANRAL currently.

In Chapter 2, page 48 Tyson (1997) was quoted and this provided guidelines that the SANRAL HR Executive could use in the assessment of the needs of the HR Division.

i) Human Resources Staff

In order to be effective the human resources division must also take on a strategic identity. In SANRAL this could be achieved by the employment of more HR staff.

The HR staff must be trained and be developed to carry out the strategic requirements of the division. HR staff numbers should not be based work-study norms, but should be determined on how active a role they would be playing in the organisation. Typically there should be at least a person handling a single division, or region. Or alternatively, a person handling a special component of HR Management processes.

HR Staff must be highly motivated and driven to ensure they are aware that their contribution in the strategic management processes has an impact on the overall organisation's performance. Given these circumstances the HR Executive should also ensure a performance related remuneration strategy applies to the HR staff as well. The HR Executive/Practitioner would offer specialist advice and assist the HR staff through out the processes.

c) Human Resources Strategies

With the resources and processes in place, the next vital step for the SANRAL HR Executive would be to review the existing HR strategies, and devise new HR strategies given the "new role" of this Division. The need for this is clarified in "The Focus of Human Resource Strategies, Section B of Chapter Two,"

From the case review, it is obvious that a structured HR plan or strategy is non-existent, or interwoven with the organisational's overall strategy that it is difficult to unravel or identify. One of the methods that the SANRAL HR Executive could use to identify and evaluate the existing HR strategies or determine new HR strategies has that has been offered by Armstrong et al (1992), and included in Chapter 2, and included once more below.

- “What people are needed? - Various methods and factors would influence this decision, however, business strategy could be used to provide the direction sought.
- What organisation structure and culture is needed- It is suggested that the current status of both the structure and culture be investigated and assessed.
- What changes are needed- The current and future human resource situations should be compared in terms of existing systems and policies and an action plan should be designed to bridge any identifies gaps.”

In the evaluation of Point 3 above, SANRAL's HR Executive must, as mentioned by Elsabé Smit earlier in Chapter 2, section B, “Assessing the existing HR Policies” and section C, “Evaluating the HR Policies” Assess SANRAL's current HR policies* using the criteria proposed, and evaluate them. The HR Executive must keep in mind the organisation's plans, and objectives as listed in the Horizon 2010 document, as well as the long-term strategies of the organisation.

6.2.2 Factors that have contributed directly and negatively to the current HR Management practices

Whilst the above is in place, a parallel process should be followed whereby those factors that have contributed negatively to the current HR management practises are addressed. From the case review of SANRAL, two such factors have been identified, and they have been listed below:

- The organisational structure of SANRAL.
- The organisational culture that exists within SANRAL.

6.2.2.1 Organisational Structure

Evidence from the case and other literature indicated the benefits of the organisational adopted by SANRAL and some have been listed. One of the benefits as determined by SANRAL is that the flat structure has fewer hierarchical levels, and this takes away the bureaucratic tendencies prevalent in those organisations. Due to the small staff complement of the SANRAL, it is possible for this flat structure to be more effective than other structures.

A few of the negative effects experienced by SANRAL's employees and the biggest source of dissatisfaction amongst them were as follows: job satisfaction, confusion, lack of career development, status, age, inappropriate leadership' communication and reward and recognition. The biggest change or impacts has been on employee's careers.

In SANRAL people are told to manage their own careers, yet there are no systems and processes in place that allow for these to take place. Providing the means (financial) for employees to undertake studies do not qualify, or should be used as an argument to counter these claims. The lack of a structured training and development plan confirms that these processes and systems are impacting on their morale, motivation and willingness to deliver.

a) Strategic Human Resource Development

In order to address this situation, the SANRAL HR Executive must include a strategic HR development plan for the employees taking into consideration the organisation's strategies, the Horizon 2010 document and the Declaration of Intent document.

*(Post case review note: The new HR Executive of SANRAL has begun the assessment of the organisation's HR policy document and has been forwarded to the senior management team for comment, it is also expected that the employees would also be asked to comment on this document as well).

Elsabé Smit (1995,p.142) describes strategic HR development as “matching managerial training needs of today with the strategic needs of tomorrow”. Butler et al. (1991,p139) sees the strategic human resource development as “the identification of needed skills and active management of employees’ learning for the long-range future in relation to explicit corporate and business strategies.”

Strategic HR development activities include: career planning, training activities targeted development, assessment centers and mentoring. Hendry and Johnson (1993,p176) state that the “ primary function of human resource development is to reach and sustain a density of managerial and technical competence necessary to ensure survival and adaptation of an organisation.”

In most organisations, the HR function is entrusted with the responsibility of developing its future leaders. However according to Hendry and Johnson (1993) rarely does the process of sending people to seminars and course address areas such as responsibility and eventually leadership or management quality development. This is true of the SANRAL organisation as well. It was mentioned earlier in the case review, that management encourages the attendance of seminars and courses, and whilst that may seem as being proactive, the above confirms that the value of such attendance if it is not a part of a bigger employee development plan.

However, identification of potential leaders or managers can be told in advance what is required of them, what they are expected to do and learn on certain assignments or projects and they could be measured against a relevant set of tasks. By undertaking this type of development, it is easier to identify key areas of development required by the individual.

One of the methods that the SANRAL HR Executive could use in selecting or identifying employees who would benefit from this training and development is by using the method identified by Odiorne, G.S (1984).

Odiorne (1984) adapted the Boston Consulting Group portfolio analysis, to describe a method of identifying employees who will gain from training and

development, but also contribute to the implementation of the overall organisation strategy, which he describes as the “portfolio analysis of human capital”. Using the same principle design as the BCG portfolio, he presents the following model.

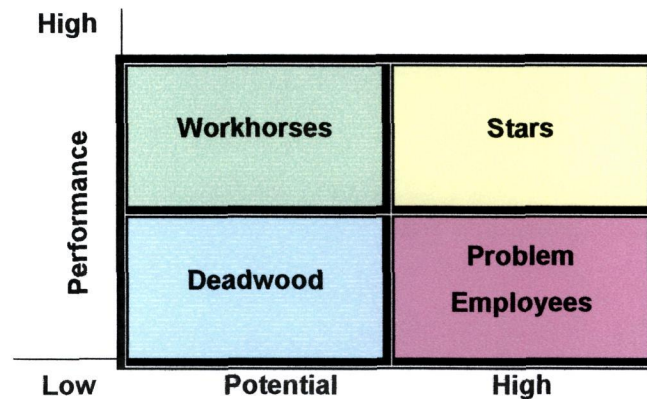


Figure 6.2: Portfolio Analysis of Human Capital- Odiorne (1984, p55)

The following attributes were assigned to the above:

Workhorses:

- Employees with limited potential, but who have reached a high peak of performance.
- Employees may require training or development in order to improve their present job performance, or prepare them for job changes.
- Should be trained to deal with stress, especially as a result of changes.

Stars

- Employees with high potential and who are performing at the highest level of their potential.
- Best trained through mentorship.
- Problem employees
- Employees who have great potential but who are performing well below their capacity.

Problem Employees

- Employees with great potential and who are performing at the well below their capacity.

Deadwood

- Employees who have both low potential and low-performance.
- For these employees, if the remedies suggested below, do not help with the performance then they should be encouraged to leave the organisation

Some of the remedies that have been suggested by Odiorne (1994) that may be used for both the "Problem employee" and the "Deadwood" employee are as follows:

- Specify performance standards clearly in advance- the employee must be aware of what is expected of him or her.
- Remove obstacles to success-the employer/manager must be supportive by providing suitable tools, equipment and other resources.
- Provide access to necessary training.
- Ensure that the consequences are favourable if the employee has performed well.
- Provide feedback-regular feedback to the employee to show them that they are doing well and the right thing.
- Encourage self-control.
- Remedy personal causes of poor performance.
- Work habits. If the employee demonstrates unacceptable work habits, these habits should be identified and remedied by means of training.

It is unlikely that the current organisational structure would change, as it is appropriate to the current organisation. The problem identified by the current organisational structure, specifically the impact on the careers of the employees can be addressed if the HR Executive takes on the strategic development plans mentioned above. However, as mentioned earlier that this was the overarching problem identified in this study. There could be other potentially important problems in other areas as a result of this organisational structure.

6.2.2.2 Organisation Culture

It is important for the SANRAL Executive to also address the “lack” of an identifiable organisation culture or a culture that is acceptable to all employees. From the organisational behaviour demonstrated by SANRAL’s employees, the following are areas of concern.

It has been mentioned that the culture of organisation as perceived by the employees was that of SANRAL being chiefly a “civil engineering orientated organisation”. This was as a direct result of the leadership in place, the bulk of the work undertaken and the fact that the project managers are mostly from an engineering discipline. Given this environment, it was not surprising that the organisation developed this culture. However, at the detriment of isolating the other disciplines who also play a key critical role.

The other influence of culture that has pervaded the organisation to its detriment was the influence and impact of employees that have been employed from the previous National Department of Transport. Many managers and senior employees have brought with them bureaucratic tendencies and mindsets that are in conflict with newer and younger employees. These are evident in the areas such as communication, participation, decision making and the delegating of responsibility to name but just a few.

Another cultural influence that should not be identifiable with the organisation is the perception by employees that race relations between employees are still strained; and the influenced or dominance of one race group over the others is still occurring in spite of the changes that have taken place in the country. This according to the employees is present in the employment of new staff and the training, development and remuneration of existing staff.

In order to address these “problem” areas through strategic HR management systems, Robbins et al (2001) has suggested that the organisation’s culture can be analysed and rated using 10 characteristics that have been found to be relatively stable and permanent overtime. The SANRAL’s culture can be

analysed using these 10 characteristics proposed by Robbins et al (2001,p175) as to the degree to which:

- “...employees identify with the organisation as a whole rather than their type of job or field of professional expertise. (Member Identity)
- ...work activities are organised around groups rather than individuals. (Group emphasis)
- ...management decisions take into consideration the effect of outcomes on people within the organisation.(People focus)
- ...units within the organisation are encouraged to operate in a coordinated on interdependent manner.(Unit integration)
- ...rule, regulations and direct supervision are used to oversee and control employee behaviour.(Control)
- ...employees are encouraged to be aggressive, innovative and risk-seeking. (Risk tolerance)
- ...rewards such as salary increases and promotions are allocated on employee performance criteria in contrast to seniority, favouritism or other non-performance factors.(Reward Criteria)
- ...employees are encouraged to air conflicts and criticisms openly.(Conflict tolerance)
- ...management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes. (Means-end orientation)
- ...the organisation monitors and responds to changes in the external environment.(Open-systems focus)

Based on the results of the above, the SANRAL HR Executive must decide as to what HR strategies to adopt to resolve the areas of concern. For example in the area of the organisation being viewed as “an engineering” organisation, the elevation of the HR Division to strategic level status would automatically serve as a signal to all employees that the organisation of SANRAL is not only about or revolves around engineering. The point to also drive home would be that the organisation is also about project management and “good project managers are generalists and not specialists.”

In order to address the issue of “ ex-Government” cultural tendencies, certain small and important changes must be effected. The one revolves around the use of the English as the official language within the Agency. Many employees see the use of “Afrikaans” as a resurgence of the past dominant power group in the organisation. Another would be the delegation of power and responsibility to the lower levels groups within the SANRAL organisation by training and development strategies.

6.2.3 Factors which have had an indirect and negative influence

Finally factors that have had an indirect influence on the strategic HR management processes can then be addressed. Those identified from the study are:

- 6.2.3.1 The motivation of employees within SANRAL
- 6.2.3.2 The Lifecycle of SANRAL

6.2.3.1 Motivation of Employees

“More than any other ‘asset’ of an organisation, people are perhaps the most volatile and easily damaged. Well motivated people, especially when they are also competent, are the key to outstanding performance.” Holbeche (1989,p10)

De-motivated employees can have detrimental effects on any changes that are put through to them for participation in. It is not un-common for employees who perceive changes as being the same old system under a new coat of paint and may not try to make the system work. This would result in the new system “failing”, and that is why the importance of addressing the motivation of employees as part of the HR strategic management process is also necessary.

In order to address this, it is possible to use certain theories that can be used to understand these results. The ‘Motivation calculus’ is a theory that suggests that people have to believe that they have the capacity to improve performance. In a

lean organisation such as SANRAL's, HR Management processes should be asking the following:

- How clear are the skill, competencies and experiences required for success?
- Do people generally have a good level of self-awareness of their own skill level?
- Are work levels defined and processes clarified?
- Are people given feedback on work performances?
- Are good work performances rewarded?

The SANRAL organisation needs to address issues of employee motivation. There has been evidence that managers are failing to understand how to achieve this. Lean or flat organisation structures can affect employees' morale mainly because they hit directly at what many of them find most motivating.

Studies have shown that SANRAL's senior management's perception of what the majority of the employees find motivating is misunderstood. Whereas they believed that money was the most important factor for employees, ranked in order of importance, sense of achievement, interest and enjoyment, and then basic pay were factors were considered by employees as more important.

If SANRAL's flat structure is here to stay, then the challenge is how to make it work, from the point of view of meeting the employee needs. Holbeche (1989,p.10) states that "this calls for a strategic, long-term perspective which is uncharacteristic of many organisations, for whom investing in people is a mere act of faith"

From Maslow's (1943) Hierarchy of Need, the theory suggests that human needs are organised in a series of levels, in a hierarchy of importance, starting with physiological and safety needs, followed by social needs, then higher level needs relate to the self, for both self –esteem and self fulfilment. If this theory is applied to lean organisations which is characterised by the lack of job security and promotion opportunities then the needs of the individual may not be catered for.

Hertzberg (1966) describes motivation in terms of satisfaction and his theory assumes that a satisfied employee will be a productive employee. Hertzberg goes on to argue that the factors, which produce satisfaction for people at work, are different from the factors that cause dissatisfaction.

Extrinsic factors such as company administration, management, relationships with peers, bosses and subordinates, are more likely to result in dissatisfaction, and are known as hygiene factors. Intrinsic factors, such as achievement, growth, recognition, responsibility and the challenge of work itself are more likely to produce satisfaction and therefore called motivators.

From the viewpoint of an organisation, the theory suggests that if the intrinsic factors are manipulated into job design, it is very likely that this will increase job satisfaction, however, the manipulation of extrinsic factors will not lead to satisfaction, but merely the absence of dissatisfaction.

If this theory is applied to lean organisation such as SANRAL's then it is possible that the negative aspects or effects on motivation of extrinsic factors and the strongly motivating effects of intrinsic factors may not go down well with many employees.

Studies have shown that the employees not exposed or not experiencing the satisfaction of intrinsic factors such as opportunity for growth will complain about their company's pay system or its management. SANRAL's HR Executive can address these issues by undertaking a strategic design.

a) Strategic Performance Evaluation and Rewards Systems

When strategic human resource management is an important part of the organisational culture, performance evaluation serves as a key link between the two. "Strategic performance evaluation and reward systems are functional specialties in strategic human resource planning." Butler et al. (1991, p.93)

At each level of the organisation, performance evaluation and reward play different roles. They, however, should be compatible with the overall company strategy and the SANRAL HR Executive should ensure that it supports the management philosophy.

i.) Strategic performance evaluation

For the HR Executive in SANRAL, the following three broad goals of performance evaluation should be identified and undertaken:

- Informing employees about behaviours and results they should achieve.
- Identify areas for future employee development.
- Generate data for making administrative decisions such as promotions, pay increases or transfers.

Some of the main reasons according to Tyson (1997) why performance evaluation is important to be integrated into the strategic HR management process are as follows:

- It manifests the actions and results, which are required to make a strategy come alive.
- It can contribute to other relevant administrative actions and decisions that enhance and facilitate strategy.
- It can be used to identify and formulate new strategies.

Since performance evaluation can be used as a key element in strategy implementation and formulation, the SANRAL's HR Executive should also explore the following areas:

- Who and when should be evaluated?
- What are the appropriate criteria for evaluation?
- What organisation factors affect performance?

A point to note is that the performance management system must be linked to business strategy. All individual and team performance should also be based on the overall business strategy. A well designed performance management systems is an added tool for the SANRAL HR Executive as it also provide useful

links into different human resource management systems such as career management, training and development and reward systems.

A strategic performance management systems is directly linked to strategic management systems of the organisation. On the basis of organisational plans, individual objectives are set and individual outputs are measured. Performance management although encompassing performance evaluation on specific outputs, still contains an element that considers the evaluation of behaviour.

ii.) Strategic Reward Systems

Following from the above strategic reward systems are closely related to strategic performance management processes. The ability of the organisation to achieve its strategic plan may be influenced by its reward system.

There exists a need to link the reward system to the strategic business of the organisation, as it has an influence on corporate performance and also force management to think long term.

Butler et al. (1991, p11) sees reward systems as having an influence on the following factors:

- Attracting and retaining Human Resources
- Employee motivation
- Culture and climate
- Structure
- Operating costs

In the decision to introduce a reward system the SANRAL HR Executive must consider certain factors. These include:

- The basis for the reward: Is the reward dependent on the job content or on the abilities of the employee.
- Is there an effect of skill-based or competence based pay on the morale of the organisation?

- Career opportunities-for employees rewarded for their increasing skills and competencies
- The nature of the reward: In what form will the reward take. Will it apply to individuals or groups?
- Reward systems in the industry. Evaluation of what the nature and comparison of reward systems.
- The aim of the strategic reward system must ultimately support the organisation's strategy.

6.2.3.2 The Life-cycle of SANRAL

Another factor that influences the strategic HR management process is the Life Cycle of the organisation. Two main areas of the organisation are influenced by the life cycle of the organisation and which also has a concomitant effect on the strategic HR management process. They are as follows:

- a.) The staffing of employees
- b.) The leadership of the organisation

a) Staffing

From evidence presented it has been observed that whilst in general staff turnover has been relatively low within the organisation, statistics also indicate that SANRAL underwent a loss of senior and middle management staff over its relatively low life.

Another factor that must be considered is the high number of personnel that are in the upper retirement age quadrant. The HR Executive must ensure that the strategic management processes will be able to compensate for the sudden or gradual loss of staff from the organisation and thus it would necessitate a strategic look at the staffing requirements of the organisation.

According to Butler et al. (1991) Strategic staffing is defined as a process, which consists of specific steps that would allow for the assessment of the different

types of staffing modes that an organisation could adopt in order to meet their requirements.

The staffing process could also involve selecting employees, which suit the overall strategy of the organisation, developing appropriate managerial behaviour to determining policies and procedures that would suit these strategies. The life cycle of an organisation will also determine the manner in which strategic staffing is undertaken.

Pearce and Robinson (1994) provide the following demands on human resource management during each stage as per Table 6.1 below:

Table 6.1

STAGE	HUMAN RESOURCE DEMANDS
Introduction	Flexibility in staffing and training new management. Use employees with key skills in new products or markets. Recruitment for activities Recruit entrepreneurial style
Growth	Add skilled personnel Maintain a motivated and loyal work force. Recruit for future business.
Maturity	Reduce workforce cost effectively while increasing efficiency. Lateral moves for enhancing efficiency.
Decline	Reduce and reallocate personnel Transfer to different businesses, outplacement and early retirement

Table 6.1 Life cycle of the organisation and impact on HR Management

The SANRAL organisation has moved from its introduction stage and now finds itself in the growth stage. Over the last five years whilst growth as been relatively slow, the intention of the organisation in terms of the document of Intent and Horizon 2010 vision, would result in the organisation “growing” further. Whilst this may not necessitated a direct proportional growth of human resources in the organisation overall, there may be areas which would require added skills and resources.

It is important for the HR Executive to identify those areas and plan a strategic recruitment, retention strategy or other to address these areas.

b) Leadership and Lifecycle of the Organisation

Another indirect influence that may affect the strategic HR management processes is the lifecycle of the leadership and the organisation

The HR Executive must consider the impact of the current leadership relative to the lifecycle of the organisation, in the strategic HR Management process. As with strategic staffing dealt in the above, the leadership of the organisation must also be considered as well. One is the natural attrition process that take place or a political or other process which may result in new leader/s being appointed.

The Lifecycle of the organisation also influences this process, as literature refers to different types of leadership suited for different life stages of the organisation. In the SANRAL organisation, a strong leadership was required during the formation of the organisation, where employees were given direction by being told how to. This may have been necessary, considering the many unknowns that the organisation was going to face. Taking control of the rudder and steering the ship into calmer waters is used in the white waters metaphor discussed by Robbins et al (2001).

However, the organisation has entered into the growth stage of its life and a more nurturing type of leader is required, that will grow and develop the organisation further. This type of leader is supportive of changes such as the strategic role of HR management, as this type of strategic approach is supportive of growing and developing the organisation. The SANRAL's HR Executive must consider how to either plan HR strategies that would cater for a change in leadership and/or senior management or provide strategies that would help change the current leadership to be more accepting of the changes necessary for the organisation.

6.3 How Strategic Human Resource Management can fail

Whilst the importance of Strategic HR management to the SANRAL organisation has been elaborated, it must also be mentioned that the possibility also exists of this approach failing.

Elsabé Smit (1992,p.43) states that “the practice of strategic human resource management does not necessarily guarantee success.” Gilley and Eggland (1992,p.7) also mention a few reasons why these programmes fail.

This could be interpreted as a failure of strategic human resource management or the failure of strategic management as a whole. The reasons offered are based on the following:

- When the strategy is not based on the needs of the organisation.
- When the strategy does not adjust to changing conditions and needs within the organisation.
- When there is a failure by the human resource strategy due to a lack of purpose- the HR strategy should not be developed in isolation, but rather is support of the overall business strategy.
- When the HR Executive fails to present the value of strategic human resource planning sufficiently and convincingly to the organisation.
- When the HR practitioners / Executive is not viewed as vital and contributing members of the organisation. This is more likely to happen if the human resource strategy is developed in isolation from the overall business strategy.

6.4 Summary of the Chapter

It has been highlighted that there are certain critical areas that must be addressed if the organisation wishes to achieve its goals and short-term objectives. The research findings have indicated that whilst the organisation is not "taking in water" the bilge pumps are not working in harmony to ensure that no additional load is taken that is unwarranted for.

The result of these pumps not working in harmony can make the differences of the organisation achieving its goals less effectively and efficiently than if they were. Relating that analogy to the SANRAL organisation, the bilge pumps are the processes and systems of the organisation, the key one being the HR Management process.

The organisation has most of its systems and processes in place; however, it has been managed in a manner that relegates its importance to a level lower than it should be. As a result the organisation is using its resources less effectively and efficiently than it should. The recommendations made address those key areas which would allow for HR Management to become a key strategic player in the organisation and start using these resources more effectively.

In order for this to happen, certain changes must be made within the organisation, the principal driver being the acceptance of the leaders and senior management team of the organisation of these required changes.

Other factors were identified that have an impact on the ability of the organisation to achieve its goals through the implementation of a strategic human resource management process. Although of lesser importance in relation to the above, it nonetheless requires to be addressed.

The chances of the SANRAL organisation achieving its goals given the current HR management processes in place may ultimately be achieved, at a price. Indications of employees' motivation levels at levels calling for action mean that the primary resource driving the organisation is not at a state where effective and

efficient use can be made of them. There are also indications that the lack of certain essential human resources policies and systems will make the achievement of those goals much more difficult.

The implementation of some of the recommendations proposed is a first step that would dramatically change the organisation as it stands now. The progression of human resources management to a strategic level will result in the organisation achieving success in not only the accomplishment of the objectives of the organisation but also the fulfilment of its mission.

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Appendices

Appendix 1.- Typical Questionnaire

QUESTIONNAIRE NO.

ER

Research Topic

The aim of this study is to determine whether the integration of human resources management with strategic planning results in the successful accomplishment of goals. Issues relating to this integration are identified and discussed. The study is on the South African National Roads Agency Limited.

Aim:

The aim of this questionnaire is to determine the extent of strategic integration of the Human Resources (HR) Management with strategic planning within the South African National Roads Agency Limited.

This is done by means of posing questions to determine the perceptions held by the employees as to:

- The current functioning of the HR Management.
- Their understanding of the strategic role of HR Management in the organisation.

Your participation in this investigation is highly appreciated and the following issues need to be taken into consideration:

- Complete Sections A, B, C and D only.
- Indicate your answers by means of a tick.
- To fill in the questionnaire will take not more than ten minutes of your time.
- This investigation will not be successful without your valuable assistance.
- Information provided in this questionnaire will be treated in the utmost confidence.
- Space has been provided at the end of the questionnaire for any comments or issues you may want to raise on the subject of the investigation.

NOTE: Kindly refer to Section E, the end of this questionnaire, for a list of the definitions of some of the concepts used.

SECTION A

Please tick the appropriate box.

To which age group do you belong?

a) 18-25 years	
b) 26-35 years	
c) 36-45 years	
d) 46-55 years	
e) 56- and older years	

2. Please tick the appropriate gender box

a) Female	
b) Male	

3. Period of employment with the South African National Roads Agency Limited

a) Less than 1 year	
b) 1 to 2 years	
c) 2 to 4 years	
d) 4 to 6 years	

4. Total number of years of employment.

a) Less than 1 year	
b) 1 to 2 years	
c) 2 to 4 years	
d) 4 to 6 years	
e) 6 years and more	

Please tick the most appropriate box regarding your present designation.

a) Senior and Middle Management	
b) Project Manager: Professional or greater than 10 working years experience	
c) Project Manager: Professional and/or less than 10 working years experience	
d) Senior Administration: Professional or greater than 10 working years experience	
e) Administration: Professional and/or less than 10 working years experience	

SECTION B- GENERAL ORIENTATION

At the end of each statement, indicate that answer you think is most appropriate.

In most organisations....	TRUE	NOT SURE	FALSE
1. Corporate or business strategies are the plans that the organisation makes to achieve its overall goals and objectives.			
2. The management of employees of the organisation through the various systems is called Human Resources Management.			
3. The Human Resources Executive is always consulted whenever plans involving the employees of the organisation are discussed.			
4. HR issues are not as important as the other issues of the organisation and therefore can be dealt with only when problems arise.			
5. If the HR Executive is involved with major decision-making, then too much attention will be focused on the human issues of the decision.			

SECTION C- CONTENT SPECIFIC

In the SA National Roads Agency....	NO Strongly Disagree	NO Disagree	YES Agree	YES Strongly agree	Not sure
1. ...the Human Resources (HR) performs as an administrative division and is only responsible for managing employee matters.					
2. ...HR Management functions are driven chiefly by responding to the instructions of Senior Management.					
3. ...the HR Executive is deemed to be one of the most important members of the strategic management team.					
4. ...the HR Division is recognised by the Senior Management and employees as an essential strategic component, necessary for the functioning of the organisation.					
5. ...the HR Division regularly updates the employees on how HR management is contributing to the planning and the achievement of the goals of the organisation through regular, reporting, articles, workshops and visits to the Regional Offices, etc					

SECTION C- CONTENT SPECIFIC

In the SA National Roads Agency....	NO Strongly Disagree	NO Disagree	YES Agree	YES Strongly agree	Not Sure
6. ...the HR Division operates professionally and HR management (processes, practices and policies) can be compared to other major organisations personnel departments.					
7. ...the HR Division has staff that are easily accessible and serve the requirements of the employees efficiently and timeously, is performing to your expectations.					
8. ...you believe that the your needs, concerns and requirements are adequately addressed via your input with the HR Division/Executive.					
9. ...the HR Division provides you with counselling and important guidelines on how to plan, build and manage your career.					
10. ...the practises and polices of HR Management are easily understood and available to you.					

SECTION C- CONTENT SPECIFIC

Firms that practice Strategic HR Management carry out the following practices listed below. Do you believe that the Agency also carries out the following practices below?	NO Strongly Disagree	NO Disagree	YES Agree	YES Strongly agree	Not Sure
11. The Strategic Management team includes the HR Executive in all their discussions about the plans of the organisation.					
12. HR Management supports the goals and objectives of the organisation by ensuring that the systems in place allow the employees the means and opportunities to achieve these goals and objectives.					
13. HR Management ensures that fair and equitable reward systems are put in place and these reward systems are driven by the achievement of objectives.					
14. HR Management ensures that the Manager's relationship with employees is formed around the policies, practises and programmes of employees based on a HR plan.					
15. HR Management ensures that the Board receives regular reports on all HR matters of the organisation.					

SECTION C- CONTENT SPECIFIC

Firms that practice Strategic HR Management carry out the following practices as listed below. Do you believe that the Agency also carries out the following practices below?	NO Strongly Disagree	NO Disagree	YES Agree	YES Strongly agree	Not Sure
16. The HR Division behaves as a business unit with the view that the employee is the 'customer'.					
17. HR Management focuses on short, medium and long-term development of its employees and caters for changes within the organisation.					
18. HR Management ensures that the processes for the job evaluation system in assigning grades and salaries are acceptable to both management and employee					
19. The HR Executive is consulted before decisions regarding and affecting the employees and the organisation is made.					
20. HR Management is be able to provide management with a strategy on how to manage its employees relative to the changes affecting it, and guide them through this process.					

SECTION D

Regarding the subject matter, please include your comments, suggestions, or other in the space provided below.

SECTION E

DEFINITIONS USED:

Human Resources- refers to all the employees that make up an organisation.

Human Resources Division- refers to the section of the organisation that is responsible for carrying all the duties and functions relating to the management of the employee.

Human Resources Management- refers to the systems, the policies, practises and processes that take place in the management of the employees.

Human Resources Executive- refers to the head of the Human Resources Division.

Senior Management- refers to the most senior personnel of an organisation up to and including the Chief Executive Officer.

Strategy- Refers to a plan or course of action to reach a specific target, objective or goal.

SECTION F

DO NOT COMPLETE FOR OFFICE USE ONLY

DATA CODING AND CAPTURING

SECTION A	A	B	C	D	E
Q.1					
Q.2					
Q.3					
Q.4					
Q.5					
SPOILT					
SECTION B	A-true	B-False			
Q.1					
Q.2					
Q.3					
Q.4					
Q.5					
SPOILT					
SECTION C	A- SD	B-D	C-A	D-SA	
Q.1					
Q.2					
Q.3					
Q.4					
Q.5					
Q.6					
Q.7					
Q.8					
Q.9					
Q.10					
Q.11					
Q.12					
Q.13					

Q.14					
Q.15					
Q.16					
Q.17					
Q.18					
Q.19					
Q.20					
SPOILT					
TOTAL					

Appendix 2-Request Letter For Interview

The following is the extract of the letter sent to the HR Executive and HR Practitioner of SANRAL, requesting for permission to conduct the interviews

Dear Heidi/ Marius

To complete my current studies, an MBA in General Strategic Management with the University of Kwa-Zulu, I need to complete a dissertation. I have chosen to do a case study on SANRAL, and have elected to chose a Human Resources study of our organisation. My topic of research is related directly to the Strategic Role that HR Management should play in the organisation and its integration with Strategic Planning.

Although being Qualitative in nature, my research would require some Quantitative data and the analysis thereof. This would be done using a Survey, and data collection instruments such as a questionnaire, interviews and a focus group session. My questionnaire, broadly, would revolve around the perceptions of employees on the strategic role of HR in SANRAL. I have chosen the population of ER offices as a total sample for this. For the interview stage, I had planned to interview Senior Management (Regional Manager), Divisional Managers, and the HR Executive,(and if I have your actual designation incorrect my apologies), of Corporate Services. If possible, I would also like to conduct a focus group session with the staff that makes up the HR division. For the interview, I would pose questions relevant to my topic, specifically as how Management views the level of HR integration within the strategic framework of the organisation. For the focus group, questions broadly would revolve around how the HR staff view their roles in the Agency, with specific regards to how they can assist in achieving the strategic objectives of the Agency from an HR perspective.

As time is of the essence, I request your permission to conduct the interview with you and the focus group session with your staff. Please can you assist by accepting or dismissing my request, and if favourable, making either a date and time available to your convenience.

Thank you

Regards

Mogam Govender

POST CASE STUDY NOTE: The researcher intended to conduct a focus study session with the HR Staff of SANRAL. Upon further research it was discovered that HR staff consisted of just Mr. M. Vermuelen and not four additional people as believed. Hence an interview was conducted with Mr. M. Vermuelen.

Appendix 3-Typical Regional Organogram of SANRAL

Senior Management	Regional Manager	Personal Assistant		
Financial and Administration	Manager	Personal Assistant	Administration	Administration Clerks, Financial Officers
			Financial	
Design and Construction	Manager	Personal Assistant	Project Managers	Engineers, Technicians, and Support staff
Operations and Maintenance	Manager	Personal Assistant	Project Managers	Engineers, Technicians, and Support staff