

# **ASPECTS OF STRATEGIC HUMAN RESOURCES MANAGEMENT AND THEIR ROLE IN DEVELOPING COMPETITIVE ADVANTAGE**

[An Applied Study on the Jordanian Mobile Telecommunications Industry]

---

Prepared by:  
Riham Darwish Mustafa Najia

Supervised by:  
Professor Kamel Moghrabi

**This Thesis is submitted in Partial Fulfillment of the  
Master's Degree in Business Administration**

Middle East University for Graduate Studies  
Department of Administrative Sciences

---

June 2008

Supervised by:  
Professor Kamel Moghrabi

Head of Administrative Sciences Department  
Middle East University for Graduate Studies



## AUTHORIZATION

I, the undersigned, Riham Darwish Mustafa Najia, hereby authorize the Middle East University for Graduate Studies in providing copies of my thesis to all and any university libraries and/or institutions or related parties interested in scientific researches upon their request.

Name: *Riham D. Najia*

Signature:

Date: *May 11, 2008*

## COMMITTEE PRONOUNCEMENT

This thesis has been discussed under its title *“Aspects of Strategic Human Resources Management and their Role in Developing Competitive Advantage (An Applied Study on the Jordanian Mobile Telecommunications Industry)”* and was approved on *June 17, 2008*.

<u>Committee Members</u>	<u>Title</u>	<u>Signature</u>
Professor Kamel Moghrabi	Chairman & Supervisor	_____
Professor Mohammad Al-Nuaimi	Member	_____
Professor Mousa Al-Louzi	Member	_____
Professor Abdul-Sattar Hussein	Member	_____

## DEDICATION

This thesis took a great deal of time and energy, often at the expense of being with my loved ones. This thesis is dedicated to them; to my parents and brothers and sisters for loving me unconditionally, for understanding and supporting me in pursuit of my career aspirations.

You have been with me every step of the way, through good times and bad. Thank you for all the guidance and support that you have given me, helping me to succeed and instilling in me the confidence that I am capable of doing anything I put my mind to.

I am grateful for the times my mother, my brother Mustafa and sisters Haya and Dina have invested in assisting me deliver my work on time, and for the example of my father, **Darwish Najia**, whose unflinching courage, faith and conviction in all facets of life will always inspire me.

I hope that through this work I am able to ~ in some small way ~ repay them for all they have sacrificed in order that I become the person that I am today.

*It is to them that I dedicate this work.*

## **ACKNOWLEDGEMENT**

First and foremost, I would like to express my gratitude to Professor Kamel Moghrabi under whose supervision I chose this topic and began the thesis whilst allowing me the room to work in my own way.

I also extend thanks to the members of my thesis committee for taking the time in reviewing and constructively critiquing my work. To Professor Muhammad Al-Nuaimi, Professor Mousa Al-Louzi and Professor Abdul-Sattar Hussein. Thank you for your support.

For their efforts, assistance and guidance, a special thanks as well to Dr. Hashem Jarrar and Dr. Samir Sultan.

Of all of my fellow graduates and colleagues, Mohammad Yasin and Amin Al-Ardah have been the closest and deserve special thanks for giving me valuable advice and confidence over many hours of phone conversations. I thank them not only for the numerous and helpful discussions we had, but also for making the venture a much more pleasant and bearable experience than it would have been without their light-heartedness, support and guidance.

In my daily challenge I have been blessed with a dear friend's constant and never-ending encouragement, support, enthusiasm, faith, patience and valuable advice – my friend Ismael Mouradi. Throughout my thesis research/writing period, he provided back-up, sound advice, and good company. I can never thank him enough for all the time and dedication he so selflessly invested in making certain that I remain aligned and focused towards achieving my ultimate goal, no matter what the challenges I face are.

I thank all my friends, both in Jordan and abroad for helping me get through the difficult times, and for all the emotional support, company and caring they provided.

I cannot end without once again thanking my family, on whose constant encouragement and love I have relied throughout the preparation of this work. It is because of their subtle fostering and inspiring example that I am now the academically and professionally qualified person.

To each of the above, I extend my deepest appreciation.

# TABLE OF CONTENTS

---

<b>ABSTRACT</b> in English	
<b>ABSTRACT</b> in Arabic	
<b>1. INTRODUCTION</b>	
1.1 Thesis Structure	1
1.2 Research Problem	1
1.3 Research Objectives	3
1.4 Research Importance	3
1.5 Research Scope	4
1.6 Research Hypotheses	4
1.7 Research Approach	5
1.8 <u>Research Methodology:</u>	
<i>Universe and Sample</i>	5
<i>Data Collection</i>	6
1.9 Research Limitations	6
<b>2. LITERATURE REVIEW</b>	
2.1 Strategy and Human Resources Management	8
2.2 Competitive Advantage	19
2.3 Aspects of SHRM	27
2.4 Previous Studies	41
<b>3. RESEARCH MODEL &amp; METHODOLOGY</b>	
3.1 <u>Research Model:</u>	
<i>Model Overview</i>	46
<i>Socialization Aspect</i>	47
<i>Training Aspect</i>	48
<i>Human Behavior Aspect</i>	49
3.2 <u>Methodology</u>	50
3.3 <u>Operationalizations:</u>	
<i>Independent Variables</i>	50
<i>Dependant Variable</i>	51
<i>Statistical Methods</i>	51
<b>4. HYPOTHESIS TESTING &amp; ANALYSIS OF STATISTICAL RESULTS</b>	
4.1 Descriptive Statistical Analysis	53
4.2 Inferential Statistical Analysis	56
<b>5. CONCLUSIONS &amp; RECOMMENDATIONS</b>	
5.1 Conclusions	64
5.2 Recommendations and Suggestions for Future Study	66
<b>REFERENCES</b>	69
<b>INDICES</b>	
Research Questionnaire	
Tables Index	
Figures Index	

## ABSTRACT

Intense global competition and swiftness of changes emphasize the importance of human capital within organizations, as well as the rapidity and ways of knowledge-gaining of that capital.

This research investigates the role of aspects of Strategic Human Resources Management (SHRM) in the Jordanian Mobile Telecommunications Industry, and their being potential sources of creating company competitive advantage. The analysis is based on a case study of *Zain*, *Orange* and *Umniah Telecommunications* and the cooperative relationships formed by the company in response to the increasingly dynamic and competitive environment.

After conducting the necessary tests and examinations, *Zain*, *Orange* and *Umniah* proved to be amongst those organizations that are aware of the fact that human resources do make a difference in the performance of the organization. These organizations acknowledge the significance of their employees in making a difference in their companies and providing the essential ingredient for its competitive advantage through SHRM.

Accordingly, it was evident that a good fit within the organization can lead to several positive benefits. People are more committed to their organizations, more satisfied with their jobs, and earn more than people who don't learn to fit in with their organizations. Furthermore, people who are well socialized, trained and content with the organization they work in are less likely to quit their jobs and more likely to build successful careers within the organization. The extent to which both organizational and individual socialization, training and human behavior processes support a good person-organization fit will define the extent to which that individual has been successfully integrated within the company and hence considered a source of competitive advantage.

**Key Words:** *Strategic Human Resource Management, Competitive Advantage, Socialization, Training Practices, Human Resource Behaviors.*





.

.

.

.

.

.

.

.

.

,

.(SHRM)

.

,

.

.



## Chapter One

# Introduction



## 1. INTRODUCTION

Organizations are increasingly looking at human resources as a unique asset that can provide sustained competitive advantage. The changes in the business environment with increasing globalization, changing demographics of the workforce, increased focus on profitability through growth, technological changes, intellectual capital and the never-ending changes that organizations are undergoing have led to increased importance of managing human resources (Devanna, Fombrum, & Tichy, 1981; Wright, 1998). A human resource (HR) department that is highly administrative and lacks strategic integration fails to provide the competitive advantage needed for survival, thus losing its relevance. Huselid and Becker (1997) found that there were noticeable financial returns for organizations whose human resource management (HRM) systems have achieved operational excellence and are aligned with strategic business goals. According to Ulrich (1998), a major role of HR personnel is to become a strategic business partner. Youndt and Scott (1996) find that firms employing HR practices according to the stated strategy are regarded as having better perceptual performance.

Singh (2003) gives a broader approach to looking at strategic human resources management (SHRM) by integrating various functions and establishing the linkage of these functions with the business plan. It is important not only to identify HR competencies in concurrence with the business needs and to develop selection and development practices to secure those competencies, but also to evolve and implement a performance evaluation plan that links the performance of the employees to the strategic goals.

Knowledge is important for organizational performance, and by implementing a human resource strategy to develop the knowledge worker and to retain the knowledge, a firm can understand how to create, transfer, and use it effectively to develop a competitive advantage.

As a result, knowledge has emerged as the most strategically significant resource of the firm (Grant, 1996b) and is built into the very nature of the firm (Penrose, 1959). Knowledge workers are not labor, they are capital (Drucker, 2002). The loyalty of knowledge workers and the ways to minimize turnover are critical management problems (Alvesson, 2000).

## 1.1 Thesis Structure

The rest of the research is structured as follows: Chapter 2 presents the literature review of the frameworks relevant to the research; Chapter 3 presents the research methodology, variable operationalizations, and methods used to study the hypotheses; Chapter 4 presents the empirical results of the research and their theoretical and practical implications. Finally, Chapter 5 discusses the conclusions/results of the research and the researcher's recommendations for SHRM-adopting companies.

The structure of the thesis is depicted in Figure 1.

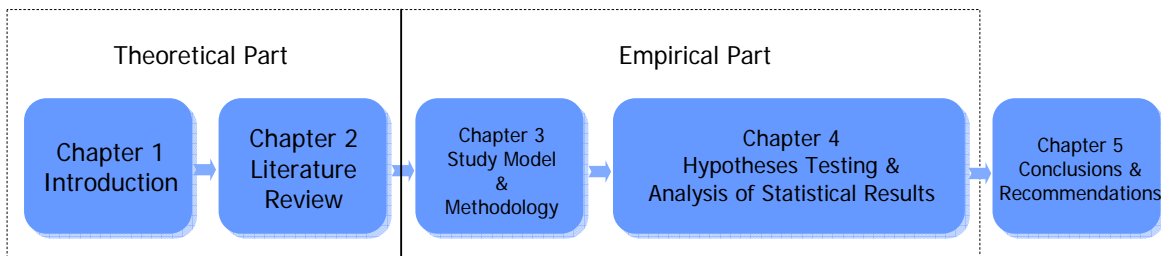


Figure 1 ~ Thesis Structure

## 1.2 Research Problem

Wright, McMahan, and McWilliams (1994) proposed that it is through the human resource capital pool (here replaced with tacit knowledge and the knowledge creation process) and employee behavior that human resources can constitute a sustained competitive advantage. Thus, managers can implement human resource practices that can positively impact the knowledge creation process and, as a result, the strategic goals of the firm. A manager can use human resource practices such as developmental assignments, formal training opportunities, and compensation to create new tacit knowledge and new explicit knowledge, and to reduce tacit knowledge loss by reducing employee turnover. Given the dynamic environment and the criticality of knowledge workers, firms must have human resource practices that promote continuing skill development.

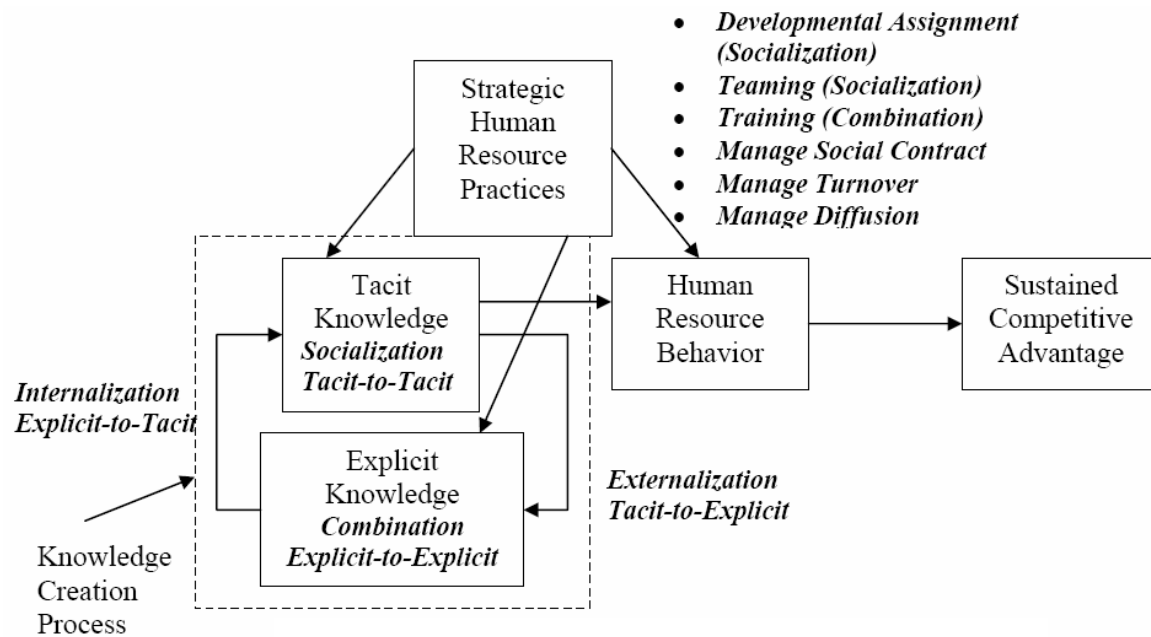


Figure 2 ~ *A Model of Human Resource Management as a source of Sustained Competitive Advantage*

Source: *Knowledge Worker: Human Resource Strategy to Achieve a Competitive Advantage*  
Doctorial Student Richard L. Jayne

General studies indicate that there is a relationship between employee socialization, conversion of explicit knowledge to tacit knowledge through formal training (knowledge creation) and human resource behavior in creating and sustaining organization competitive advantage.

The understanding in the Jordanian companies about the relation between HRM as a strategic element in developing competitive advantage is not well developed. This research aims to investigate the impact of SHRM aspects in Jordan's telecommunications system in developing such advantages throughout chapter 4.

Accordingly, three questions immediately emerge:

1. Can human resource practices that promote socialization (*developmental assignments and project teams*) be the foundation for creating and developing a competitive advantage?
2. Can human resource practices such as formal training be the foundation for creating and developing competitive advantage?
3. Can human resource behavior be a source of creating and developing competitive advantage when gained knowledge is reflected through employee performance?

### **1.3 Research Objectives**

The objectives of this research are to examine the role that strategic human resource practices play in developing competitive advantage, and what the firms need to do to ensure the development of the knowledge worker and to diffuse knowledge to others in the firm, through exploring the:

1. Effectiveness and relationship between human resource practices that promote socialization, such as orientation programs, developmental assignments, project teams, etc. in creating and developing competitive advantage.
2. Effectiveness and relationship between human resource practices, such as formal training, in creating and developing competitive advantage through internalization.
3. Effectiveness and relationship between human resource behavior and developing competitive advantage.

### **1.4 Research Importance**

As the number of knowledge workers increases in the workforce, human resource management plays a critical role in creating and engaging the critical knowledge required to sustain a competitive advantage. Drucker (1993) maintains that knowledge workers are unlike previous generations of workers, not only in the high levels of education they have obtained, but also because in knowledge-based organizations, they own the organization's means of production, i.e., knowledge. The international economies are in the process of changing from a society based on industrial technology, organization, and values to one based on knowledge and information (Vega & Lacey, 1996).

Performance of knowledge-based industries depends on organizations attracting, holding, and motivating knowledge workers (Drucker, 2003).

Therefore, the importance of this research is linked to the significance of developing unique human resource practices in the Jordanian mobile telecommunication industry that affect both the HR capital pool and the overall human resource behavior towards achieving the organization's goals through developed and sustainable competitive advantages.

## 1.5 Research Hypothesis

### Hypothesis 1:

$H_0$ : There is no significant statistical relationship between socialization activities and developing a competitive advantage ( $\alpha$  0.05)

### Hypothesis 2:

$H_0$ : There is no significant statistical relationship between training practices/programs developing a competitive advantage ( $\alpha$  0.05)

### Hypothesis 3:

$H_0$ : There is no significant statistical relationship between human resources behavior and developing a competitive advantage ( $\alpha$  0.05)

## 1.6 Research Scope

As defined above, this research focuses on the competitive advantage of a chosen group of technology-based Jordanian firms. In order to study competitive advantage, data on relatively intangible factors were regarded as necessary.

Since one of the objectives set for this research was to articulate and examine the role that strategic human resource practices play in developing competitive advantage, practical implications for Jordanian firms that consider human resources management as a strategic partner were to be studied. However, the number of Jordanian firms at this time that met the selection criteria was not large. Hence, the focus of the research was concentrated on the Jordanian telecommunications firms *Zain*, *Orange* and *Umniah*.

Since firm growth in the number of employees is an important facet of competitive advantage, the size of the selected firms in number of employees was not restricted. Instead of size, the specific specialization of the selected telecommunication companies was restricted; all three firms are private mobile/home/land service providers. Therefore,

Express Telecom was excluded from the research, since it is often mistaken for an already established and licensed *mobile* service provider.

The empirical data that are used in this research should not be confused with the theoretical focus of the research. The purpose of the data is to make it possible to test hypotheses of how aspects of strategic human resources management can derive competitive advantage from their relevant activities. The results of the tests are then to be generalized from this rather specific sample of firms to the entire population of organizational and institutional companies/firms that incorporate Human Resources Departments as a strategic partner in their organizational map – naturally within the limitations of such generalizations.

### **1.7 Research Approach**

The fact that few studies have thus far focused on the role/effect of Strategic Human Resources Management (SHRM) in developing company competitive advantage could justify an explorative or descriptive research approach. While there is little existing research on the specific topic of this research in the Middle East region, the matter of HRM as a strategic partner essential for the development of competitive advantage in general has been studied extensively abroad, through which most of this research's references was based on. Thus, the existing body of knowledge in strategic human resources management and competitive advantage can be regarded as relatively well organized, which justifies adoption of an explanatory approach and development of relatively strong hypotheses.

### **1.8 Research Methodology**

The following paragraphs discuss the methodology used in the research. First, the steps in selecting the sample are explained. Then, the process of collecting data from the sample firms themselves is discussed.

### **3 Universe and Sample**

The universe of the research was chosen based on the results of personal interview and consultation with HR professionals who identified the Jordanian Mobile Telecommunications industry to be the major current business which considers its human resources management to be of strategic importance to the organization.



Accordingly, the research sample was derived from and consisted of the senior executives in human resources management and line positions in the three major mobile telecommunications companies, namely *Zain*, *Orange* and *Umniah*; the sample size ranged between 40-60 professionals.

### **Data Collection**

The literature data were collected from various available secondary resources that include published articles, books, past studies and website materials.

You will find that the research concentrates on the *Descriptive and Inferential Analytical Approaches* in testing its hypotheses in order to determine the nature of the relationship between the independent and the dependant variables. Empirical measures are utilized to establish this relationship through the aid of the a statistical analysis software.

Descriptive research involves attempting to define or measure a particular observable fact, usually by attempting to estimate the strength or intensity of behavior or the relationship between two behaviors. In other words, these research approaches set out to describe the field in a comprehensive way.

### **1.9 Research Limitations**

The researcher faced lack of resources and case studies in the Middle East that tackle the core issue of the thesis with regards to linking SHRM with achieving and sustaining competitive advantage within the organization; hence, was obligated to rest upon previous studies, articles and case studies of western studies when discussing the theoretical section.

Nevertheless, this constraint in the specific matter of ensuring HRM's more proactive role in the decision-making process was an encouragement to further insist on the research of human resources as a strategic partner to a company as opposed to just merely being a support function. In some small way, it is hoped that this research could be considered a pilot research in the field of humanitarian studies, and specifically in the human resources field - which has become to be considered a phenomenon in the region as of late - and interesting enough to encourage fellow researchers to further study and investigate in the field.

Another major constraint faced by the researcher was the fact that the research population/sample does not prefer nor allow for the distribution of study questionnaires within their organizations; therefore, it was a great challenge being able to first grab the attention and then ultimately get the consent of the HR Directors within the companies to allow for the distribution of the questionnaire between their HR supervisors and line managers, and then to gather the information which eventually lead to the formation of this research.

In addition, the companies would not disclose information regarding the total number of employees within the company, along with the breakdown in number of line and department managers; therefore the researcher was forced to mention the exact number of questionnaires that were ultimately gathered for the purposes of the research as opposed to the percentage of collected data to the total population per company.

## Chapter Two

# Literature Review

---

## **2. LITERATURE REVIEW**

This section reviews the available relevant literature to this research. The review consists of three major parts. The first part reviews some fundamental definitions and properties of strategic human resources management. The second part defines the concept of competitive advantage and reviews relevant theoretical approaches to it. The third part introduces and defines selected aspects of SHRM practices which are central to the development of company competitive advantage.

### **2.1 Strategy and Human Resources Management**

When discussing business strategy, Boxall and Purcell (2003, pg. 28) argue that “it is possible to find strategy in every business because it is embedded in the important choices managers and staff of the firm make about what to do and how to do it”. It is referred to by them as “strategic choice” or as the strategies firms adopt in dealing with strategic problems. A further dimension to this is that strategy is directed towards maintaining the viability of the organization and/or producing sustained advantage in the markets in which the organization exists.

A key issue to be resolved is how Human Resources Management (HRM) plays a part in influencing the direction and shape of the evolving strategy. Furthermore, if HRM is considered an integral part of the process of strategic choice, how is its influence affected? As with business strategy, it might be that strategic HRM is seen as contributing to strategic choice within the organization by either maintaining viability or producing a sustained advantage.

Strategic HRM emphasizes the need for Human Resource (HR) plans and strategies to be formulated within the context of overall organizational strategies and objectives, and to be responsive to the changing nature of the organization’s external environment. It is a model which, like all models, requires interpretation and adaptation by practitioners to ensure the most suitable fit between HR and business strategies and plans. Thus, the overall themes of Strategic Human Resource Management (SHRM) are the integration of the adherence of all HRM functions to broad organizational goals, and responsiveness to the external environment.

The term 'strategy' is used to explain both the processes (e.g., organizational restructuring) and the outcomes (market position) of chosen long-term directions. It can be either a conscious, planned activity or a series of events which lead to a desirable objective.

Thus, SHRM is concerned with ensuring a strategic 'alignment' or 'fit' between business and HRM strategies. It necessarily involves an evaluation of the likely impacts of both the external and internal organizational environment, the long-term goals of the organization and the ways in which HRM strategy will enable the adaptation of human resources towards these goals.

Nankervis, Compton and Baird (2000) identified three types of linkages between HR and organizational strategies. First, there is the *accommodative* type. Here, HR strategies simply follow organizational strategies, accommodating the staffing needs of already chosen business strategies. In this sense, 'strategic' indicates that HRM is to follow the organization's business strategy. Second, there is the *interactive* type. It is characterized as a two-way communication process between HRM and corporate planning whereby HRM contributes to, and then reacts to, overall strategies. For this type, strategic HRM asserts that HRM is an active contributor to strategy development and execution. Third, there is a type known as *fully integrated*. For this type the HR specialist is intimately involved in the overall strategic process in both formal and informal interactions – a real reflection of strategic human resource management in practice (Nankervis et al, p. 37). The degree of involvement will extend to HRM being fully represented at the senior management level and HR personnel actively participating in strategic decisions, and might even involve an HRM appointment to the Board of Directors.

Many authors question the underlying philosophies and practical applications of HRM models. Similar concerns are raised about SHRM; its managerial focus, strategic perspectives and 'realities' of HR practice have been questioned by several writers (Legge 1995; Guest 1997). SHRM is certainly concerned primarily with contributing to the 'bottom line' success of an organization, which may sometimes involve a unitarist approach to the management of employees.

The strategy concept has developed as an important aspect of management since the dynamics and complexity of the world and business environment have increased. It is evident that the various schools of theory are incomplete, and debates over their merits because they are based in different paradigms.

There is a major division between theories that see strategy as deliberate, i.e., the planned approach and performance designed by senior management, and those that see strategy as evolving actions arising from discourse and networks of individuals within the organization.

This leads to the understanding that the notion of strategy is not value-neutral. How it is defined and used in organizations will impact the conceptualization of human resource management. Furthermore, the various studies of the notion of strategic human resource management and performance, and the subsequent discrepancies in results, only attest to the different constructs of strategy.

So, in the human resource literature there has been a debate over the compatibility between an integrated and consistent HR strategy and the need for alignment with business needs (Legge 1995; Boxall & Purcell 2003). This dilemma has focused on the issue of whether all organizations should pursue a high commitment (best practice) bundle or adopt a more flexible, approach, allowing business units to aim for best fit with the external environment. Purcell (2004) has moved beyond this debate by rejecting the universal best practice solution as unsuitable to different business situations, and the best-fit concept as mismatched with the dynamic and strategic approach.

More generally, this reinforces the notion that the categories which the more rational perspectives on strategy treat as unproblematic – competence, the environment, competitiveness are themselves all constructs, not things in themselves. The means of them shift as they are positioned in the strategic story and in how they relate to each other.

### **Strategic Human Resources Management**

SHRM involves the development of a consistent, aligned collection of practices, programs (strategies), and policies to facilitate the achievement of the organization's strategic objectives (Mello, 2002).

The SHRM literature is rooted in "manpower" planning, but it is the work of influential management experts (e.g., Ouchi, 1981) affirming the importance of the effective management of people as a source of competitive advantage, that encouraged academics to develop frameworks emphasizing the strategic role of the HR function (e.g., Beer et al., 1985; Fombrun et al., 1984) and attaching the prefix "strategic" to the term 'human resource management'.

Interest among academics and practitioners in linking the strategy concept to HRM can be explained from both the 'rational choice' and the 'constituency-based' perspective. There is a managerial logic in focusing attention on people's skills and intellectual assets to provide a major competitive advantage when technological superiority, even once achieved, will quickly erode (Barney, 1991; Pfeffer, 1994, 1998a).

### **Concepts and Models**

In spite of the increasing volume of research and scholarship, the precise meaning of strategic HRM and HR strategy remains problematic. It is unclear, for example, which of these two terms relates to an *outcome* or a *process* (Bamberger & Meshoulam, 2000). For Snell et al. (1996, p. 96), SHRM is an outcome: "organizational systems designed to achieve sustainable competitive advantage through people". For others, however, SHRM is viewed as a process: "the process of linking HR practices to business strategy" (Ulrich, 1997, p. 89). Similarly, Bamberger and Meshoulam (2000, p. 6) describe SHRM as 'the process by which organizations seek to link the human, social, and intellectual capital of their members to the strategic needs of the firm'.

According to Ulrich (1997, p. 190) "HR strategy" is the outcome: "the mission, vision and priorities of the HR function". Consistent with this view, Bamberger and Meshoulam (2000, p. 5) conceptualize HR strategy as an outcome: "the pattern of decisions regarding the policies and practices associated with the HR system". The authors go on to make a useful distinction between senior management's "espoused" HR strategy and their "emergent" strategy. The espoused HR strategy refers to the pattern of HR-related decisions made but not necessarily implemented, whereas the emergent HR strategy refers to the pattern of HR-related decisions that have been applied in the workplace. Thus, "espoused HR strategy is the road map ... and emergent HR strategy is the road actually traveled" (Bamberger & Meshoulam, 2000, p. 6).

We begin the discussion of SHRM and HR strategy with a focus on the link between organizational strategy formulation and strategic HR formulation.

In Figure 3, the two-way arrows on the right-hand side (showing both downward and upward influence on strategy) depict this type of proactive model.

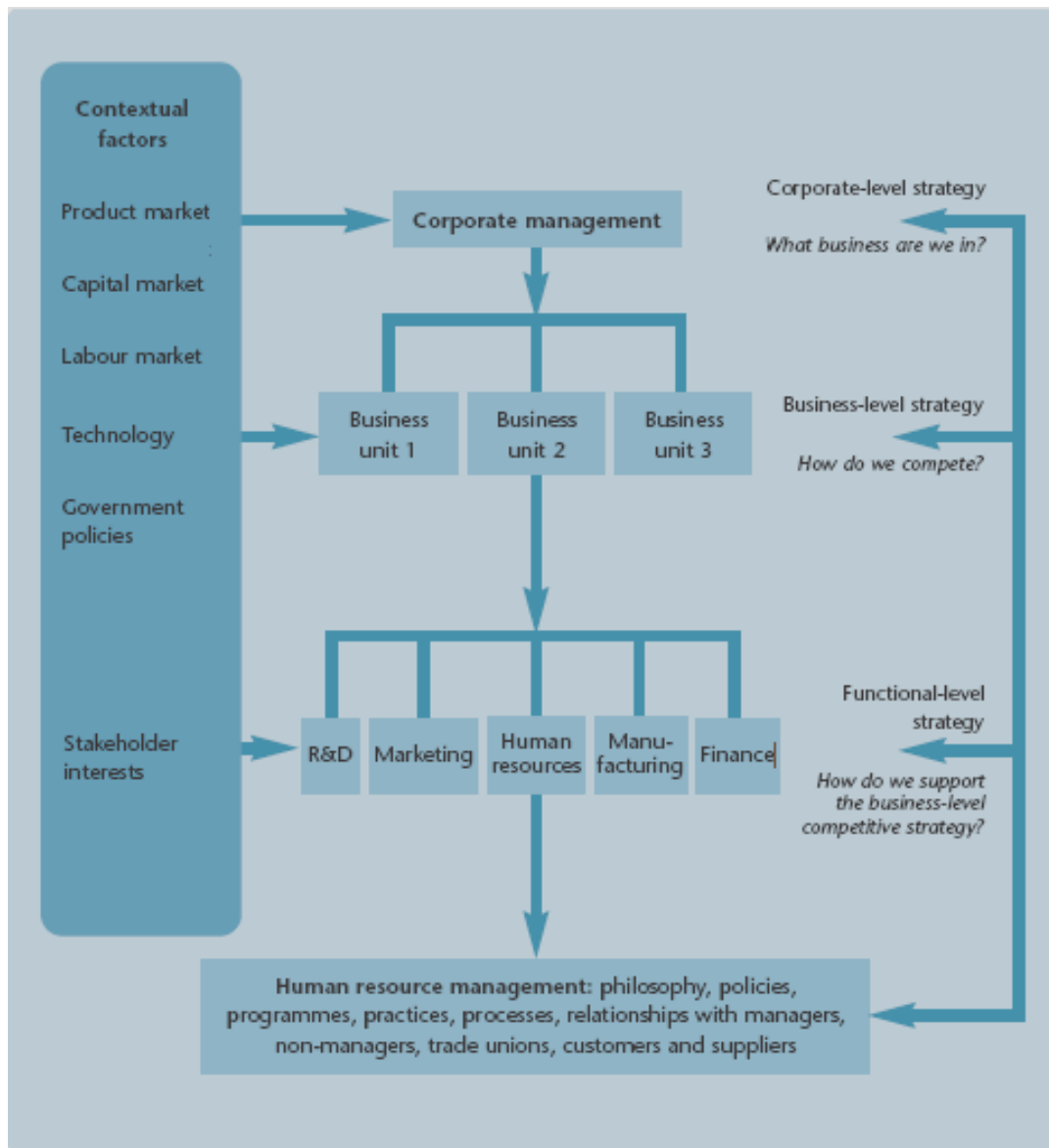


Figure 3 ~ Hierarchy and strategic decision making

At the other end of the continuum is the “reactive” orientation, which sees the HR function as being fully subservient to corporate and business-level strategy, and organizational-level strategies as ultimately determining HR policies and practices. Once the business strategy has been determined, an HR strategy is implemented to support the chosen competitive strategy. This type of reactive orientation would be depicted in Figure 3 above by a *one-way downward arrow* from business- to functional-level strategy.



In this sense, an HR strategy is concerned with the challenge of matching the **philosophy, policies, programs, practices and processes** – *the 'five Ps'* – in a way that will stimulate and reinforce the different employee role behaviors appropriate for each competitive strategy (Schuler, 1992).

The importance of the environment as a determinant of HR strategy has been incorporated into some models. Extending strategic management concepts, Bamberger's (2000) model depicts links between three poles: the environment, human resource strategy and the business strategy (Figure 4). In the hierarchy of the strategic decision-making model (see Figure 3 above), the HR strategy is influenced by contextual variables such as markets, technology, national government policies, European Union policies and trade unions. Purcell and Ahlstrand (1994) argue, however, that those models which incorporate contextual influences as a mediating variable of HR policies and practices tend to lack "precision and detail" in terms of the precise nature of the environment linkages, and that "much of the work on the linkages has been developed at an abstract and highly generalized level" (p. 36).

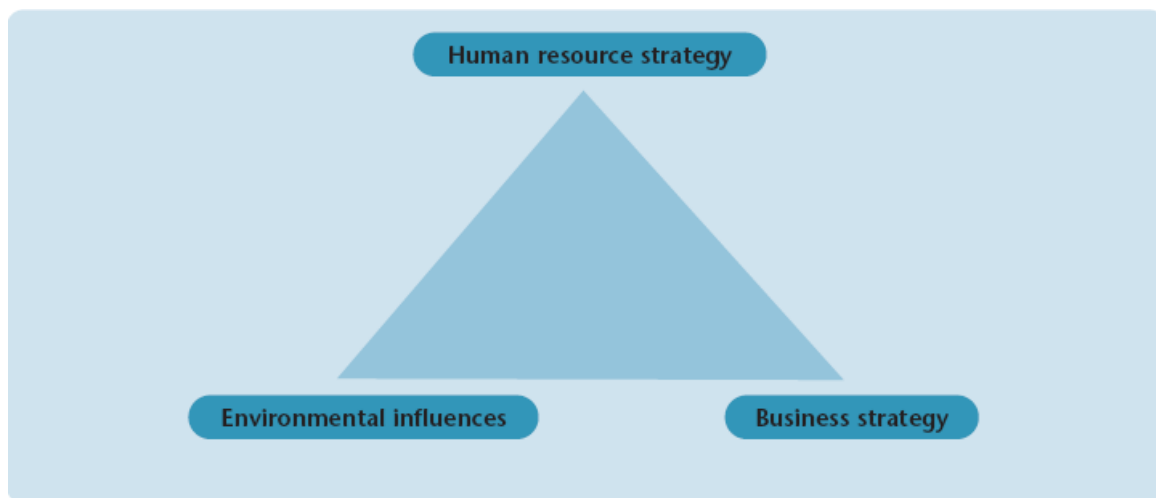


Figure 4 ~ *Environment as a mediating variable for human resource management strategies*  
Source: Bamberger 2000

In the late 1980s, Purcell made a significant contribution to research on business–HRM strategy. Drawing on the literature on "strategic choice" in industrial relations (e.g., Kochan et al., 1986) and using the notion of a hierarchy of strategy, Purcell (1989) identified what he called "upstream" and "downstream" types of strategic decisions. The upstream or "first order" strategic decisions are concerned with the long-term direction of the corporation. If a first order decision is made to take over another enterprise, a second set of considerations applies concerning the extent to which the new operation is to be integrated with or separate from existing operations.

These are classified as downstream or “second order”, strategic decisions. Different HR strategies are called “third-order” strategic decisions because they establish the basic parameters for managing people in the workplace. Purcell (1989, p. 71) wrote, “[in theory] strategy in human resources management is determined in the context of first-order, long-run decisions on the direction and scope of the firm’s activities and purpose ... and second-order decisions on the structure of the firm”.

In a major study of HRM in multidivisional companies, Purcell and Ahlstrand (1994) argue that what actually determines HR strategy will be determined by decisions at all three levels and by the ability and leadership style of local managers to follow through goals in the context of specific environmental conditions. Case study analysis has, however, highlighted the problematic nature of strategic choice model-building.

Another part of the strategic HRM debate has focused on the integration or “fit” of business strategy with HR strategy. This shift in managerial thought, calling for the HR function to be “strategically integrated”, is depicted in Beer et al.’s (1984) model of HRM. The authors adopted the need to establish a close two-way relationship or “fit” between the external business strategy and the elements of the internal HR strategy:

*“An organization’s HRM policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces”* (Beer et al., 1984, p. 25). The concept of integration has three aspects:

- the linking of HR policies and practices with the strategic management process of the organization;
- the internalization of the importance of HR on the part of line managers;
- the integration of the workforce into the organization to foster commitment or an “identity of interest” with the strategic goals.

Not surprisingly, this approach to SHRM has been referred to as the “matching” model.

### **The Matching Model**

Early interest in the “matching” model was evident in Devanna et al.’s (1984: pg. 37) work: “HR systems and organizational structure should be managed in a way that is congruent with organizational strategy”. This is close to Chandler’s (1962) distinction between strategy and structure and his often-quoted maxim that “structure follows strategy”. In the Devanna et al. model, HRM–strategy–structure follow and feed upon one another and are influenced by environmental forces (Figure 5).

Similarly, the notion of “fit” between an external competitive strategy and the internal HR strategy is a central tenet of the HRM model advanced by Beer et al. (1984). The authors emphasize the analysis of the linkages between the two strategies and how each strategy provides goals and constraints for the other. There must be a “fit between competitive strategy and internal HRM strategy and a fit among the elements of the HRM strategy” (Beer et al., 1984, p. 13). The relationship between business strategy and HR strategy is said to be “reactive” in the sense that HR strategy is subservient to “product market logic” and the corporate strategy. The latter is assumed to be the independent variable (Purcell & Ahlstrand, 1994).

As Miller (1987) emphasizes, “HRM cannot be conceptualized as a stand-alone corporate issue. Strategically speaking it must flow from and be dependent upon the organization’s (market oriented) corporate strategy”. There is some theorization of the link between product markets and organizational design, and approaches to people management. Thus, for example, each competitive strategy involves a unique set of responses from workers, or “needed role behaviors”, and a particular HR strategy that might generate and reinforce a unique pattern of behavior (Cappelli & Singh, 1992; Schuler & Jackson, 1987). HRM is therefore seen to be “strategic by virtue of its alignment with business strategy and its internal consistency” (Boxall, 1992).

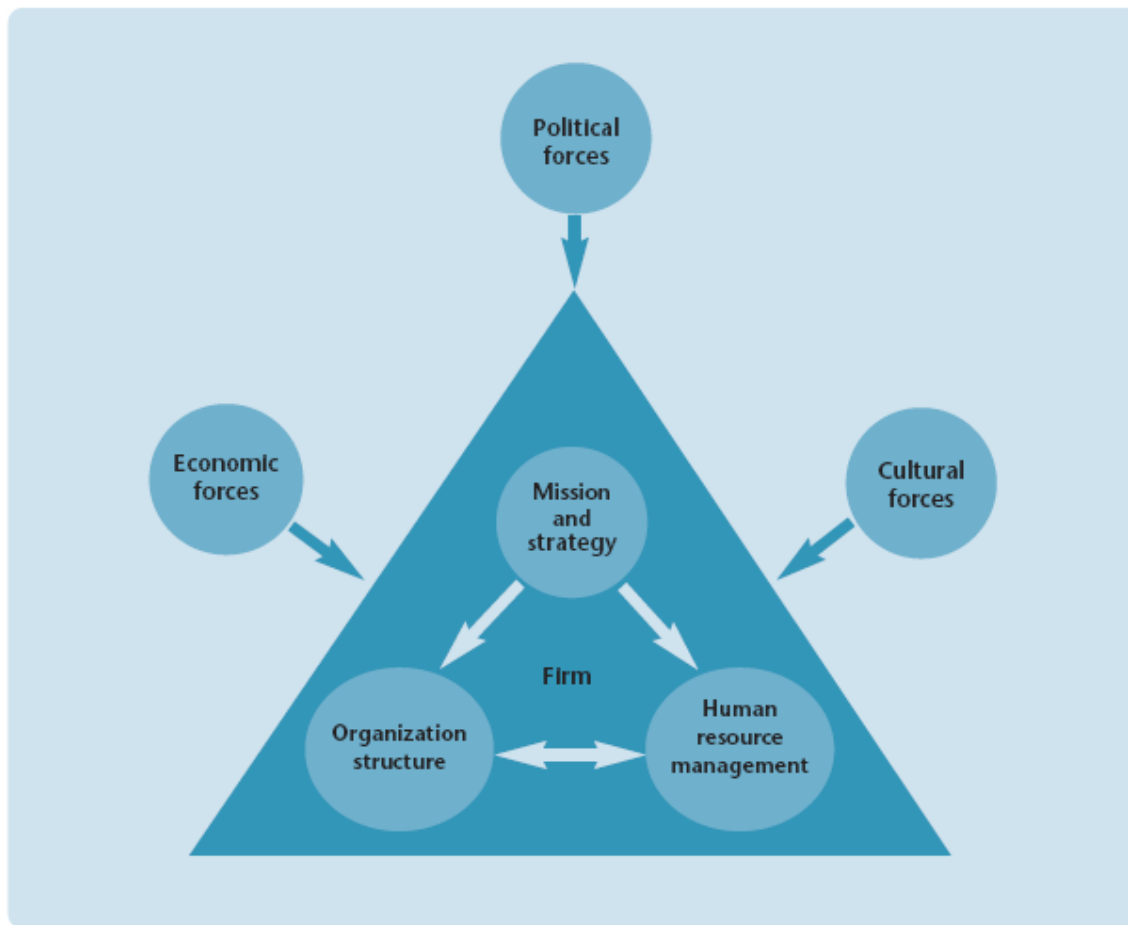


Figure 5 ~ Devanna et al.'s strategic human resource management "matching model"  
Source: Devanna et al. (1984)

### ***Evaluating Strategic Human Resources Management and Models of Human Resources Strategy***

Existing conceptualizations of SHRM are predicated upon the traditional rational perspective to managerial decision-making – definable acts of linear planning, choice and action – but critical organizational theorists have challenged these assumptions, arguing that strategic decisions are not necessarily based on the output of rational calculation.

The assumption that a firm's business-level strategy and HR system have a logical, linear relationship is questionable given the evidence that strategy formulation is informal, politically charged and subject to complex contingency factors (Bamberger & Meshoulam, 2000; Monks & McMackin, 2001). As such, the notion of *consciously* aligning business strategy and HR strategy applies only to the "classical" approach to strategy (Legge, 1995). Those who question the classical approach to strategic management argue that the image of the manager as a reflective planner and strategist is a myth. Managerial behavior is more likely to be uncoordinated, frenetic, ad hoc and fragmented.

The political perspectives on strategic decision-making make the case that managerial rationality is limited by lack of information, time and “cognitive capacity” as well as that strategic management is a highly competitive process in which managers fiercely compete for resources, status and power. Within such a management milieu, strategies can signal changes in power relationships among managers (Mintzberg et al., 1998).

Alternatively, strategic decision-making may be conceptualized as a “discourse” or body of language-based communication that operates at different levels in the organization. In this regard, Hendry (2000) argues persuasively that a strategic decision takes its meaning from the discourse and social practice within which it is located, such that a decision must be not only effectively communicated, but also “re-communicated” until it becomes embodied in action. This perspective reaffirms the importance of conceptualizing management in terms of functions, contingencies and skills as well as the leadership competence of managers. Whatever insights the different perspectives afford on the strategic management process, critical organizational theorists have suggested that the term “strategic” is no longer fashionable in management thought and discourse, having gone from “buzz-word to boo-word” (Thompson & McHugh, 2002, p. 110).

A second limitation of SHRM and HR strategy theory is the focus on the connection between external market strategies and HR function. It is argued that contingency analysis relies exclusively on external marketing strategies (how the firm competes) and disregards the internal operational strategies (how the firm is managed) that influence HR practices and performance (Purcell, 1999).

In an industry in which a flexible, customized product range and high quality are the key to profitability, a firm can adopt a manufacturing strategy that allows, via new technology and self-managed work teams, for far fewer people, but ones who are functionally flexible, within a commitment HR strategy regime. The major limitation of a simple SHRM model is that it privileges only one step in the full circuit of industrial capital. To put it in another way, the SHRM approach looks only at the *realization* of surplus value within product markets rather than at complex contingent variables that constitute the full transformation process. As Purcell (1999, p. 37) argues, “we need to be much more sensitive to processes of organizational change and avoid being trapped in the logic of rational choice”.

Another limitation of most current studies examining SHRM is the conceptualization of managerial control. The basic premise of the typologies of HR strategy approach is that a dominant HR strategy is strongly related to a specific competitive strategy. Thus, the commitment HR strategy is most likely to be adopted when management seek to compete in the marketplace by using a generic differentiation strategy. This might be true, but the notion that a commitment HR strategy follows from a real or perceived “added-value” competitive strategy is more problematic in practice. Moreover, it is misleading to assume that managerial behavior is not influenced by the indeterminacy of the employment contract and by how to close the “gap” between an employee’s potential and actual performance level. Reflecting on this problem, Colling (1995, p. 29) correctly emphasizes that “added-value” [differentiation] strategies do not preclude or prevent the use of managerial control over employees ... few companies are able to operationalize added-value programs without cost-constraints and even fewer can do so for very long”. Others have gone beyond the “organizational democracy” rhetoric and acknowledge that “It is utopian to think that control can be completely surrendered” in the “postmodern” work organization (Cloke & Goldsmith, 2002, p. 162).

Consistent with our earlier definition of strategy – as a specific pattern of decisions and actions – managers do act strategically, and strategic patterns do emerge over a period of time (Thompson & McHugh, 2002). One strategic decision and action might, however, undermine another strategic goal. In a market downturn or recession, for example, there is a tendency for corporate management to improve profitability by downsizing and applying more demanding performance outcomes at the unit level.

This pattern of action constitutes a strategy even though manifesting a disjunction between organizational design and employer–employee relations. As Purcell (1994) points out, an organization pursuing a strategy of acquisition and downsizing might “logically” adopt an HR strategy that includes the compulsory layoff of non-core employees and, for the identifiable core of employees with rare attributes, a compensation system based on performance results. In practice, the resource-based approach predicts a sharp differentiation within organizations “between those with key competencies, knowledge and valued organizational memory, and those more easily replaced or disposed of” (Purcell, 1999, p. 36). In such a case, the business strategy and HR strategy might “fit”, but, as Legge (1995, p. 126) points out, these HR policies and practices “although consistent with such a business strategy, are unlikely to generate employee commitment” (1995, p. 126). Thus, achieving the goal of “close fit” of business and HR strategy can contradict the goal of employee commitment and cooperation.

It is important to emphasize that however committed a group of managers might be to a particular HR strategy (e.g., the commitment HR strategy); there are external conditions and internal “structural contradictions” at work that will constrain management action (Streeck, 1987). The kind of analysis explored here is nicely summed up by Hyman’s pessimistic pronouncement that “there is no “one best way” of managing these contradictions, only different routes to partial failure” (1987, quoted in Thompson & McHugh, 2002, p. 108).

## 2.2 Competitive Advantage

Critical to a corporation's growth and prosperity is gaining and retaining competitive advantage. Although corporations may pursue many paths to this end, one that is frequently not recognized is capitalizing on superior human resource management. Currently, many companies recognize the growing importance of their human resources, but few are conceptualizing them in strategic terms - in ways to gain a competitive advantage. As a result, many companies forego the opportunity to seize competitive advantage through human resource practice initiatives. However, there are a few companies that do not forego the opportunity.

The firm is regarded as a cohesive organism, which learns to adopt or find better ways of doing things essentially in response to its environment. The question then is what really the firm should do to maintain or to optimize its situation in its changing environment? Should it focus on its financial situation, its technology, or its human resources? To answer this question we should at first see what other researchers have concluded. Barney (1991) suggests that, in order for a resource to qualify as a source of sustained competitive advantage, the resource must add value to the firm, it must be rare, it must be inimitable and it must be non-substitutable. Wright, et al (1994) has shown that human resources meet Barney’s criteria for being a source of sustainable competitive advantage. Coff (1994) argues that human assets are a key source of sustainable advantage because of causal ambiguity and systematic information making them inimitable.

Guest (1990) says that if management trust their workers and give them challenging assignments, workers in return will respond with high motivation, high commitment and high performance. Gratton (1997) identified six factors for success: the commitment of top management; the motivation and aspirations of recruits; the core capabilities of the management team; the team’s aspiration; its ability to build and maintain alliances; and the integration of the business into a global network. What does that mean to us? It means that sources of competitive advantage have shifted from financial resources to technology resources and now to human capital.

In other words, success does not depend primarily on the size of the budget or the products supporting technologies; it really depends on employee's attitudes, competencies and skills; their ability to generate commitment and trust, communicate aspirations and work in complex relationships. Now we know that one of the sources of competitive advantage is the employees. Then what is needed to achieve competitive advantage through them? The answer lies in competitive strategy and human resource practices.

## **Competitive Strategy**

### *Historical Review*

In the literature on and for capitalist management, the notion of strategy has become increasingly popular. The strategy concept extracted from the Greek word "strategos", a general, which in turn comes from roots meaning "army" and "lead" (Legge 1995: 96); but the Greeks provided no clear description. Conventionally, strategy is assumed to involve the planning and directing of the organization towards some goals and objectives. In any business, there are certain market-related issues which are strategic, and there are also certain market-related decisions which are strategic. These sets of strategic decisions are interrelated. We need a theory of strategy, which acknowledges both and does not downplay one or the other.

A **strategy**, whether it is an HR strategy or any other kind of management strategy, must have two key elements: there must be strategic objectives (i.e. things the strategy is supposed to achieve), and there must be a plan of action (i.e. the means by which it is proposed that the objectives will be met). Schermerhorn (1993) defines strategy as a comprehensive plan of action that sets critical direction for an organization and guides the allocation of its resources.

What is competitive strategy? Porter (1985) defines the competitive strategy as the positioning of a company in its competitive environment, and also poses two important questions:

1. What is the structure or the attractiveness of the industry which the company is in?
2. What is the company's position in its competitive environment?



To answer the first question a company, as an organization, should analyze its industry by focusing on the following points (industrial analysis):

1. Begin with understanding your industry.
2. Focus attention on significant forces.
3. Watch out for industry change.

To answer the second question (competitive position), a further question arises: *How does a company achieve superior performance?*

To be a superior performer in any industry, the company must have a sustainable competitive advantage which its rival cannot copy or duplicate.

The competitive advantage can be sustained by one of the following two ways (Porter 1985);

1. Either the company can be lucky enough to come up with something that its rivals cannot copy, which is very rare, or
2. The company is improving so fast that its rivals can not catch up.

### Competitive Advantage

When a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors, then we can say the firm has a competitive advantage. And when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy, then we can say the firm has a sustained competitive advantage (Barney 1991).

There are two major models that have to be considered when discussing competitive advantage. The first one is the position or environmental model and the second one is the resource-based view model.

### **☞ The Position or Environment Model**

In order to achieve a competitive advantage, the firm is required to make a choice about the type of competitive advantage it seeks to attain and the scope within which it will attain it. Choosing the competitive scope or the range of the firm's activities can play a powerful role in determining competitive advantage because it aims to establish a profitable and sustainable position against the forces that determine industry competition.

Csikszentmihalyi (1988) noted that what we call creative is never the result of individual action alone; it is the product of three main shaping forces: a *set of social institutions*, or field, that selects from the variations produced by individuals those that are worth preserving; a *stable cultural domain* that will preserve and transmit the selected new ideas or forms to the following generations; and finally the *individual*, who brings about some change in the domain, a change that the field will consider to be creative. Creativity is a phenomenon that results from interaction between these three systems. Without a culturally defined domain of action in which innovation is possible, the person cannot even get started. And without a group of peers to evaluate and confirm the adaptiveness of the innovation, it is impossible to differentiate what is creative from what is simply statistically improbable or bizarre (Dean 1998).

Schuler and Jackson (1987) have derived from Porter's discussion of competitive advantage three competitive advantage strategies that organizations can use to gain competitive advantage: *innovation*, *quality enhancement* and *cost reduction*.

***Innovation Strategy*** ⇒ the primary focus here is developing products or services different from those of competitors or offering something new and different. A vital component of any innovation strategy is getting employees to broaden their skills.

***Quality Enhancement Strategy*** ⇒ the primary focus here is enhancing the product and/or services. Quality enhancement often means changing the processes of production in ways that require workers to be more involved and more flexible.

***Cost Reduction Strategy*** ⇒ firms typically attempt to gain competitive advantage by being the lowest cost producer.

The question is who brings the innovation, quality and cost reduction strategy to the firm? It is believed that it comes from the right employee who is motivated by the right human resources practices. In the next sections, issues of how the right employee is motivated will be tackled.

## **The Resource-Based View Model**

### *What are the firm resources?*

Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency (doing things right) and effectiveness (doing the right things). In the language of traditional strategic analysis, firm resources are strengths that firms can use to conceive of and implement their strategies. Firm resources can be conveniently classified into three categories: physical capital resources, human capital resources and organizational capital resources.

*Physical capital resources* include the physical technology used in a firm, a firm's plant and equipment, its geographic location, and access to raw materials. *Human capital resources* include the training, experience, judgment, intelligence, relationships and insight of individual managers and workers in a firm. The *organizational capital resources* include a firm's formal reporting structure, its formal and informal planning, controlling, and coordinating systems, as well as relations among groups within a firm and between a firm and those in its environment (Barney 1991: 101).

The resource-based view of the firm is presently being advertised as an alternative theory of strategy to that developed by Porter. Instead of focusing on positioning in the product market, it argues that firms achieve sustainable competitive advantage by developing resources, which add unique or rare value, which can't easily be copied by others. Thus the firm with superior access to physical resources, which others can not buy, holds a superior advantage.

Barney (1991) suggests that in order to understand sources of sustained competitive advantage, it is necessary to build a theoretical model that begins with the assumption that firm resources may be heterogeneous and immobile. To have this potential, a firm resource must have four attributes:

- It must be valuable, in the sense that it exploits opportunities and/or minimizes threats in a firm's environment.
- It must be rare among a firm's current and potential competition.
- It must be imperfectly imitable.
- There can not be strategically equivalent substitutes for this resource that are valuable but neither rare nor imperfectly imitable.

Firm resources can be imperfectly imitable for one or a combination of three reasons:

1. The ability of a firm to obtain a resource is dependent upon unique historical conditions.
2. The link between the resources possessed by a firm and firm's sustained competitive advantage is causally ambiguous.
3. The resource generating a firm advantage is socially complex.

Wright, et al. (1994) has shown that the human resources can be a source of competitive advantage because they meet the criteria for being a source of sustainable competitive advantage. Human resources add value to the firm, are rare, cannot be imitated and are not sustainable. Also they have characterized human resources by unique historical conditions, causal ambiguity and social complexity, which means that not all firms can successfully develop human resources as a sustained competitive advantage through imitating the HR practices of firms that have successfully developed human resources.

Pfeffer (1994) has issued sixteen practices of competitive advantage through people:

- |  |                                    |   |   |
|--|------------------------------------|---|---|
| • <i>Employment security</i>             | • <i>Incentive Pay</i>             | • <i>Wage compression</i>                       | • <i>Information sharing</i>              |
| • <i>Long-term perspective</i>           | • <i>Selectivity in recruiting</i> | • <i>Measurement of practices</i>               | • <i>Training &amp; skill development</i> |
| • <i>Participation &amp; empowerment</i> | • <i>Employee ownership</i>        | • <i>Cross-utilization &amp; cross-training</i> | • <i>Promotion from within</i>            |
| • <i>Symbolic social equality</i>        | • <i>Teams &amp; job redesign</i>  | • <i>High wage</i>                              | • <i>Over-arching philosophy</i>          |

Competitive advantage can best be achieved by seeking improvement in the management of people; in other words, through better utilization of human resources. From the standpoint of researchers interested in competitive advantage, the resource-based view of the firm provides a framework for examining the role of human resources in competitive success and forces us to think more clearly about the quality of the workforce skills at various levels and the quality of the motivation climate created by strategic human resource management (Boxall 1996). The next section will focus on the strategic human resource management and competitive advantage.

## **Strategic HRM and Competitive Advantage**

The struggle to gain competitive advantage in markets that grow more fiercely contested day to day has radically altered the complexion of many businesses. The HRM theorists start arguing that HRM should be recognized as a source of competitive advantage. The field of strategic human resource management has grown up alongside the field of strategic management in recent years. It represents attempts by HRM researchers to relate the worlds of HRM and strategic management to each other (Boxall 1992 and Wright & McMahan 1992). Some researches have shown two models for strategic human resource management, which will be considered.

### **A. The Matching Model or Behavioral Perspective**

The “matching model” (Boxall 1992) or “behavioral perspective” (Wright and McMahan 1992) of strategic HRM is advocated by Fombrun et al 1984. In its simplest form, the matching model asserts that organizational effectiveness depends on a “tight - fit” between HRM strategy and business strategy. The essential idea of this model is that HR practices should be matched to the firm’s desired competitive position. This is seen to make the organization more effective.

In other words, management should work out what “behaviors” are required by the choice of a particular business position and adopt those HR practices, which reinforce them.

Some authors argue that the firms should choose whether they want to be cost leaders, or differentiators on the basis of some superior non-price feature such as superior quality, delivery or service. If for example, management chooses a business strategy of differentiation from competitors on the basis of higher levels of product innovation, this would call for creative, risk-oriented and co-operate behavior. The HR practices would therefore include (Schular and Johnson 1987 cited by Boxall, 1995, Chapter 12): *selecting highly skilled individuals, giving employees more discretion, using minimal controls, making a greater investment in human resources, providing more resources for experimentation, allowing and even rewarding occasional failure, and appraising performance for its long-run implications.*

On the other hand, if management wants to pursue cost leadership, this entails *designing jobs which are repetitive, minimal training, cutting staff numbers to the minimum and rewarding high output and predictable behavior.*

The attraction of the matching model clearly lies in its simplicity and the way it offers a basis for integrating HR practices. The different functions of HRM are brought together around a common theme, behavioral consistency with pre-selected competitive position. If we think in terms of conceptual framework, this is the outcome desired by management.

Boxall 1995 has shown several weak points in this model such as; what is strategy; the typological problem; the unitarism issue; the issue of strategy making, and the dynamism issue.

## **B. The Capabilities Model**

The matching model of strategic HRM is linked to the product market oriented views of strategy advocated by Michael Porter 1985. A second model is linked to the resource-based view of the firm.

The resource-based perspective offers a way of theorizing the contribution of HR strategy that does not rest solely on the reactive notions of the positioning model.

**Human resources** can be defined as the pool of human capital under the firm's control in a direct employment relationship (Wright, et al 1994). In resource-based thinking, HRM can be valued not only for its role in implementing a given competitive scenario but for its role in generating strategic capability (Barney 1991) and for its potential to create firms which are more intelligent and flexible than their competitors over the long term; firms which exhibit superior levels of co-operation and operation (Grant 1991). By hiring and developing talented staff and "synergizing" their contribution within the resource bundle of the firm, HRM may lay the basis for sustained competitive advantage.

In order to get a more complete model of strategic HRM, it should be linked to the employment relationship. A theory of strategic HRM must be built on credible assumptions about the nature of strategic management on the one hand and the wage-work bargain or employment exchange on the other.

The resource-based view of the firm, quite clearly, provides a basis for asserting that key human resources are sources of competitive advantage. It helps to lay the intellectual basis for a “capabilities” model of strategic HRM. Such a model builds on the obvious point that learning is something that people do. Applying learning in a company involves people with skills who want to act together and who co-operate in powerful ways.

These are merely a tentative set of ideas but they show how a capabilities model of strategic HRM offers advantages over the matching model because it forces us to think more clearly about the quality of the workforce skills at various levels and the quality of the motivation climate created by management. The matching model fails to take a long-term view of skill development and simply takes worker motivation for granted.

### 2.3 Aspects of Strategic Human Resources Management

Nowadays, it is a common belief in both the business and the academic world that the human resources of an organization can be a source of competitive advantage, provided that the policies for managing people are integrated with strategic business planning and organizational culture (Beer, Spector, Lawrence, Quinn, Mills, & Walton, 1985). This approach emphasizes the importance of congruence between human resource policies and organizational objectives. Recent research has focused on the links between human resource management and performance (Guest 2003, 2004; Purcell 2002, 2004), and much of the growing body of international literature in the field is built upon the premise that human resource management is linked closely to the emergent strategies, especially of large organizations, both public and private.

There is a need to question the reality of the link between Human Resource Management (HRM) and developing company competitive advantage through company and employee performance. *First*, an analysis of data relating to the question of a link between Strategic Human Resource Management (SHRM) and performance reveals that there is uncertainty as to the direction of the link. Can better performing organizations attribute their good performance to the quality of their HRM or is the standard of their performance due to other factors? The quality of HRM might be an outcome of performance rather than a contributing factor to that performance. *Second*, there are questions about the meaning of a strategic approach to HRM. What makes an organization’s approach to HRM “strategic” and is there a satisfactory method of differentiating between an approach to HRM that might be considered “strategic” or one that is not seen to be strategic?

This research is directed at testing whether or not there is a good fit between SHRM aspects and competitive advantage in an organization. It considers available evidence to establish whether organizations that use HRM strategically, can develop and sustain competitive advantage, which ultimately enhances organizational performance.

### **2.3.1 ~ Socialization**

---

Critical to organizational survival in the twentieth century is the creation of a committed workforce fostered by a strong organizational culture manifested in superior Human Resource Management (HRM) practices. In view of the emphasis on organizational culture, it is further argued that for organizations to have order and consistency and thereby gain and sustain competitive advantage there should be systematic ways of bringing newcomers into the organization. Implicit in this argument is a call for renewed emphasis on socialization as an HRM practice. Operating in a strategic HRM framework, this research argues that the thoroughness of socialization practices and therefore the level of employee commitment depend on the organization's business strategy. Propositions linking socialization practices, organizational culture and team dynamics are suggested.

**Socialization** is the process by which newcomers learn the behaviors, values, beliefs, and social knowledge to accept their new roles and function effectively within the organization (McShane, 1998; Van Maanen, 1976). It affects how long an individual remains employed with the organization based on his/her ability to adjust to the work and its environment. The general theory asserts that people who are well socialized into an organization are more likely to stay and develop their careers with that organization. This is a critical process for individuals pursuing successful careers and for organizations building effective workforces.

### **The Organizational Socialization Process**

---

The organizational socialization process unfolds within human resource management processes. Recruitment and selection systems identify candidates who are considered for employment and those who are eventually hired. These processes are often designed to hire a particular type of person who will fit into the organization. Furthermore, recruitment and selection activities are often first-contact experiences for the newcomer and organization; they help shape initial expectations each has about the other.



There are several stage models of organizational socialization; each describes evolving experiences of newcomers as they adjust to a new job/organization. Most of these models describe three basic stages beginning with *anticipatory socialization*, *entry-encounter experiences*, and ending with *change and mutual acceptance* (Fisher, 1986). The anticipatory socialization stage describes how early job/organization expectations are shaped as a person selects and prepares for a particular career. Career choices are often based on rough ideas or expectations of what that career will be like. For example, a person's family, teachers, and friends might share their experiences and influence an individual to choose a career in business. Furthermore, managers and recruiters can help a job candidate form specific expectations about an organization and the candidate's role within that organization. The extent to which these expectations are met on the job will define the amount of adjustment required to successfully fit into the organization.

The second stage of socialization typically includes early learning and adjustments after organizational entry. The newcomer learns how to do the job as well as how to fit into the organization's culture. This learning stage includes the sense making process that helps the newcomer reconcile unmet expectations and surprises. Organizations can conduct formal orientation and training programs to help newcomers learn how work is conducted in the organization. In addition, informal learning occurs on the job as the newcomer observes and solicits information from superiors, peers, and subordinates. These informal lessons may reinforce formal organizational procedures or they may introduce informally acceptable behaviors that are not sanctioned by the organization.

The final stage of socialization generally recognizes successful adjustment as an organizational newcomer is transformed into an organizational insider. Insiders have "learned the ropes" to fit in and can serve as valuable resources of information for future newcomers. Organizations may hold initiation ceremonies or rites of passage to signify that a newcomer is no longer a rookie or recruit, but a full-fledge member of the organization.

Although most of the research on organizational socialization centers on newcomers, some studies recognize that insiders can learn more about their own roles as they socialize newcomers or as newcomers precipitate shifts in role expectations for insiders.

Current research has focused on the individual perspective examining information seeking by newcomers as they attempt to comprehend the organization and its defining characteristics. In addition, some research has sought to go beyond information acquisition per se to understand how informal, insider processes influence newcomer socialization.

For example, much of the information seeking research has focused on active newcomer efforts to ask questions and inquire of insiders. However, active efforts by supervisors and coworkers to socialize newcomers are relatively more important to adjustment than newcomer pro-action (Ostroff & Kozlowski, 1992). Positive work relationships with supervisors and peers reduce negative effects of unmet expectations on job satisfaction and other traditional indicators of socialization effectiveness.

The research literature on information seeking and successful socialization is mixed. Some studies support a positive link with findings that show information seeking reduces uncertainty about the newcomer's job/organization, which in turn, helps build the newcomer's competence and self-efficiency. Conversely, other studies found negative links between information seeking and newcomer socialization when there are social costs if a newcomer is constantly asking questions, or if feedback is not positive. Thus, information seeking may backfire on newcomers who ask too many questions because insiders may perceive them as incompetent, intrusive, or meddlesome. Finally, there may be no link between information seeking and socialization if the information is not related to adjustment and/or the newcomer cannot use the information to facilitate his or her work adjustment.

The organizational socialization process is complex because it involves actions taken by both the newcomer and the organization, and lessons learned may be intentional or unintentional. Newcomers will go through a socialization process, regardless of what the organization may do or not do; thus good human resource management would prescribe some planning to guide employee adjustment to the job and organization.

Transparent human resource practices that support the organization's mission and values are more likely to help employees make sense of their roles in the organization than management practices that conflict with or confuse employees. For example, mentors can provide an informal, personal socialization process when senior members tutor junior members and groom them for successful careers within the organization.

Although this mentoring may be informal, managers and supervisors who are likely to be mentors can be trained to provide positive socialization experiences for their newcomers.

The socialization process is not entirely controlled by the organization; nor is it entirely controlled by the individual. The mix of formal organizational interventions (e.g., orientation program) and informal interventions (e.g., a mentor) may not provide compatible lessons, thus rendering the sense making process complex. Furthermore, an individual's acquisition of knowledge does not always occur at a conscious level. A newcomer's learning may be implicit - knowledge gained from observations and experiences but without a concerted, conscious awareness that one has learned anything (Chao GT, 1997). The first day on a new job is often one of information overload for the newcomer. Explicit lessons (e.g., a supervisor explains the workload to a newcomer) and implicit lessons (e.g., a newcomer feels uncomfortable around a particular supervisor) merge to help the newcomer determine if he or she fits with the organization. The tacit knowledge gained from implicit learning serves as a base for a newcomer's sense of intuition. This intuition could influence subsequent attitudes and behavior. Thus, a newcomer may not be able to articulate why he or she feels uncomfortable about a supervisor, but that feeling may signal potential problems as the socialization process unfolds.

### ***2.3.2 ~ Training Practices***

---

People have always been central to organizations, but today their strategic importance is growing in the knowledge-based business world like never before. An organization's success is becoming increasingly dependant on the knowledge, skills, and abilities of its employees. Without these assets companies would surely fail. How a business is managed and how they take care of their employees and customers helps set the core competencies which set an organization aside from its competitors. It is important to align the company's strengths and internal capabilities to that of the external market.

Companies are always looking for more efficient ways to produce goods and services. When new technological advancements give a company a competitive advantage, their competitors can easily catch up by implementing and improving on the new technology. To be successful in today's market, companies need an extremely capable, flexible and dedicated workforce, a flexible and innovative management, and the capability to hold on to developed talent. To accomplish these objectives, the company needs a talented HR department.

In addition to hiring the right people to carry out specific jobs, HR managers have to build up dedication and allegiance among the workforce by keeping them up to date about company plans, as well as laying out the implications for job security and working conditions.

### ***Employees' Skills and Training: Critical Success Factors***

To be successful, companies must be flexible to allow an adjustment in production and resources to meet changing markets and customer demands. They must, therefore, have employees that possess the skill and training required to perform a range of different tasks. A lack of employee flexibility has historically been the source of the collapse of a number of large companies. Therefore, offering skilled employees high level of participation, independence, preparation, fair wages, and benefits can be a way to attract, inspire, and maintain competent employees who will be dedicated to the long-term goals of the company. The effects of a versatile, skilled and committed labor force results in a very productive organization, which in turn gives the employees job security. It is essential for a company to have flexible employees, if they are going to be competitive in the market.

A firm can achieve a competitive advantage when it has employees that are valuable and well organized. Companies that do a superior job of managing their employees through increasing their knowledge, developing their skills and improving their capabilities add value to the organization. Managers must develop strategies for recognizing and hiring the finest talent obtainable. Once they hire these individuals, they must make them valuable assets to the company. They must then develop these employees in ways that are specific to the needs of the company, encouraging them to generate new ideas while familiarizing them with the company's strategies.

Employee management is an essential function within a company both traditionally, and more importantly, strategically. Before a company can plan for its needs, it must be aware of its organizational goals and strategy. If managers are to increase productivity, reduce costs, and improve their organization's competitive advantage, they must focus on how to skillfully treat personnel. They need to create an effective compensation plan, focus on motivating employees, become good leaders, recruit and hold on to qualified personnel, develop effective training programs, reward and take care of their employees, promote change, and create an environment that supports the employees.

The Human Resource Manager's outlook is filled with challenges and opportunities for overseeing an organization's most valuable resource – its people. Strategic Employee Management is essential to the success of a business in today's highly competitive market place (Hall, 2004).

## **Training and Development**

In businesses where without vision, training and the right mental approach, the company cannot achieve its goals. Every company is made up of individuals who need to be motivated, given direction and most importantly, a goal to aim for. These individuals may not achieve the overall goal on their own but through working in teams and inspiring each other, they can develop and combine their skills and ideas to achieve ultimate success and provide the company with the necessary competitive advantage. Therefore, ongoing learning through development, training, coaching and mentoring must be a priority on the senior management agenda. It is essential that in the strategic planning process, knowledge and skills for the future are identified and development needs are analyzed across the business; keeping in mind that many companies require continuous training for effective job performance. Therefore, incessant learning is at the centre of how a business develops the critical skills to maintain long-term performance.

Once development needs have been identified, a plan of action can be prepared and implemented. To ensure that commitment and transfer of learning to the workplace is achieved, line managers have responsibility and accountability for not only developing their staff but also for ongoing coaching, monitoring and measuring individual performance. To achieve this, developmental processes must be supported by systems such as performance appraisal, goal setting and measurement, methods of informal and formal communication and a continuous approach to managing change. Individuals within the business must always be aware of the overall business strategy and the part they play in achieving business goals.

The development and management of people cannot be left to chance. The knowledge, skills and attitudes of people have to be recognized as a competitive factor - often company specific - and can only be achieved on a long-term basis. Ongoing learning and development is vital to the overall success of the business and must be given appropriate support. The cost of learning should be assessed in line with the contribution it makes to the overall development and success of the organization.

Training, development, coaching and mentoring should be a continuous process requiring constant improvement. All employees should have an opportunity to contribute to both the planning and implementation of the learning process that will in turn create ownership and commitment to the overall business strategy.

### **Performance-Based Training**

As discussed above, competitive advantage comes from what people do (performance), not from what they know. Five challenges most organizations face in gaining competitive advantage are:

- Recognizing and taking advantage of market opportunities.
- Defining product and/or services that create value for customers.
- Attracting, retaining and improving the best available resources for providing products and services.
- Managing uncertainties in creating and realizing product and service opportunities.
- Sharing the resulting benefits with company resources (employees and suppliers).

Attracting, retaining and improving the best available resources are perhaps the most difficult and often overlooked of these challenges (Alvord).

Performance-based training is one way to meet this challenge. Performance-based training emphasizes proficiency in job tasks essential to company competitive advantage. It is based on clear definition of the tasks, skills and knowledge needed to competently perform each job in the organization.

A performance-based training program is a planned, organized sequence of activities designed to prepare persons to competently perform their jobs. Competitive advantage requires that every employee maintain their job performance at the highest levels possible, or improve to meet the need.

Training and Performance Improvement departments must be able to guarantee that every learner can demonstrate full competence on every skill taught. True performance-based training applies scientific principles on how people learn, think, and remember. It requires the application of an instructional system design model that provides for:

- Needs assessment
- Curriculum development
- Course design and pilot delivery
- Evaluation

There are key characteristics of true performance-based training that help determine how an organization's training rates, and where it can potentially make improvements, one of which is whether or not the training focuses on providing learners with practice and immediate feedback on all the skills required to perform a job to contribute to competitive advantage.

### **Role of Management**

Enhancing human performance requires a team of managers and supervisors that can perform as both a well organized management team and have an in-depth understanding of people's basic needs and behaviors. Managers must be able to make the business vision a reality by developing employee's abilities in team work, problem solving, and critical thinking. It is not enough to merely have a vision; managers must be able to apply corresponding actions to make it happen.

*A vision without corresponding action is merely a dream;  
Action without vision is a waste of time;  
Vision and corresponding actions will take you to new heights!*  
- Joel Barker,  
*Business of Paradigms*

Corresponding action is derived from the organization's mission statement. The mission statement will only drive competitive advantage if it is properly designed and cuts across the entire organization (multi-level).

Managers must apply critical thinking to all aspects of the organization and build a strong business case for decisions. Effective critical thinking takes into account sustainable competitive advantages of every process and opportunity.

For the most part, the success of a company depends on the performance of its employee (Smith and Manna, 2006a, 2006b). To verify the contributions of each employee, it is necessary to have an official assessment program with clearly declared objectives. Companies need to know if each employee is contributing to the goals of the organization. These performance evaluations include recognizing a person's strengths and weaknesses, removing external performance obstructions, and creating training programs. This way, organizations can be sure suitable employees are assigned to appropriate tasks.

### ***2.3.3 ~ Human Behavior Factors***

---

Most managers today understand the strategic implications of the information-based, knowledge-driven, service-intensive economy. They know what the new game requires: speed, flexibility and continuous self-renewal. They even are recognizing that skilled and motivated people are central to the operations of any company that wishes to flourish in the new age.

And yet, a decade of organizational de-layering, de-staffing, re-structuring and re-engineering has produced employees who are more exhausted than empowered, more cynical than self-renewing. Worse still, in many companies only marginal managerial attention - if that - is focused on the problems of employee capability and motivation. Somewhere between theory and practice, precious human capital is being misused, wasted or lost.

Without “belief in people” no organization can outsmart competition, and develop a sustainable competitive advantage that ensures its market competitiveness. Demonstrating genuine belief in people takes more than speech-making to do. Organizations of today should develop integrated systems that combine selection of the best fit, job-matching, continuous skills and competencies development, fair compensation, democratic leadership style, and creating attractive motivating work environments.

In his opinion, Dr. Fathi Al-Nadi (a management and human resources consultant with both academic and field experience of more than 43 year in multinationals in the US, the Gulf States, Saudi Arabia, and Egypt) sees that this HR orientation approach relies on the organization's transparency; its readiness to trust its employees, its willingness to empower them, and its sincerity to maintain a participative team spirit where employees assume ownership and a deep sense of belonging. People were and can always be a competitive advantage in a global market that became more demanding and very sensitive to the quality of services that goes with the product. Nowadays, a shift had happened in customers' perception of where the added value rests. There is an escalating trend that it relies more on the quality of services and the fast response to the customer needs rather than the product itself; so much so in service industries. That's why the caliber of people makes the difference in achieving customer satisfaction on one side and gaining bigger market shares on the other.



Dr. Al-Nadi also sees that HR professionals, especially in developing countries, have a role to play in making themselves real “strategic partners” in their organizations. They need to have a cause to promote and defend. They also need to gain more credibility in proving their value in enhancing organizational performance and keeping it up-to-date on people's issues and market demands to become customer driven and accomplish sustainable competitiveness.

### Employee Management

Employee Management is strategically necessary in developing employees that are able to deliver and achieve the long-term strategic goals of the organization. Organizations need to focus on the importance of the human resources in terms of employee *recruiting, retention, motivating employees, human behavior, and how to promote change* among their workforce in ways that create competitive advantage for the company. Corporate executives will have to look at the most distinctively human elements of the business such as culture, leadership and character in order to obtain and sustain competitive advantage.

**Recruiting** ⇨ By offering enticing compensation packages, equitable pay, flexible benefits and attractive incentives, a company allows itself the comfort of identifying and selecting those which meet the needs of the organization. The selection process, including the interview, should provide as much dependable and valid information as possible about the applicants so that their qualifications can be clearly matched with job specifications. When selecting new executives, a key first step is to analyze the needs of the organization. Interviews should be in a team setting with their peers, subordinates, and bosses participating in the selection process.

The interview is a significant source of information about the job candidate. This gives the Human Resource manager the most pertinent information for making a well-informed decision about which applicant will realize the needs of the organization. HR should oversee the integration process of the new executive by briefing him/her on the company and giving him/her insights into its culture and clarifying expectations, setting goals, and coaching new executives (Grossman, 1999).

HR should counsel them to move quickly, but prudently; help them adapt to the style of a new workplace; help them with their social skills, if needed to foster good personal relations with peers and subordinates. When HR is involved in the executive search and the adaptation period, the outcome can be much more promising.

In filling job openings above entry-level, it can be beneficial to use internal promotions. By recruiting from within, a company rewards employees for past performances and sends a message to other employees that their future hard work will payoff, while taking advantage of previous investments made in recruiting, choosing, developing, and training its existing employees.

**Employee Retention** ⇨ The importance of employee management can be found everywhere. However there are some key components that firms must follow in order to gain, as well as maintain, employees as their number one resource. One key is employee retention. An employee retention strategy leads to the promotion of effective employee communication which in turns provides commitment and enhances the workforce.

Quality of life, corporate culture, and professional development are some of the best ways to retain top employees. Paying attention to quality of life is an important step in order to retain employees. When companies start focusing on their number one asset, their people, retention is no longer an issue.

Organizations, in order to maintain retention among employees, need to follow some guidelines so that they do not make the same costly mistakes in their industry. Employee retention can be achieved when a company establishes a positive work environment that promotes healthy communication.

**Motivating Employees** ⇨ Business is only as effective as the people who work in it. If employees are not motivated, then attitudes are reflected in their job performance. When people are motivated and inspired, they are more creative and productive and they are less likely to leave. Employers should first realize that employees are not all motivated by the same things. Therefore, they need to try a number of different techniques in order to gain full motivation from workers. The first step employers should take is to build rapport. With the ever-growing world of computers and email, managers are losing increasing amounts of face time. Too much of this is not good and can lead to worrying and mistrust.

Rewarding open communication is important on a number of different levels to create working capital. Encouraging feedback and communication promotes job security. Supporting growth challenges employees to keep their interest high and helps them build their skills. Finding out what employees aspire to do with their careers, realizing their goals and structuring around them. If trust is encouraged, employees are not afraid to share ideas and possible solutions to problems. The more empowered employees are, the more invested they become in their work.

Competitive compensation is critical, because if staff is under paid, managers send them the message that they are not valued. Managers need to make it a point to express the idea that they are there to help. Often times it seems that managers just get used to the idea that someone else is taking care of a situation.

In the end what motivate employees the most are their mentors, which in most cases are their managers. When managers set the example, employees are bound to follow. The underlining theme is to keep the lines of communication open to facilitate trust and growth.

**Human Behavior** ⇨ Human behavior plays a major role in the effectiveness of Employee Management. The way people interact with each other will help determine the success of the firm. With the emergence of the Internet and various forms of communication, the amount of human interaction has been decreased which could cause problems with miscommunication within the organization. Edward M. Hallowell has coined this behavior as the "Human Moment" as is defined as "an authentic psychological encounter that can happen only when two people share the same physical space." (Hallowell, 59) Hallowell's concern is with the loss of this human moment due to the increase use of the e-communications and the damage it may cause to the infrastructure of the organization. In general the effective management of employees resulting in a positive atmosphere can lead to a more homogeneous workplace and ultimately increased productivity.

**Promoting Positive Change** ⇨ There are many reasons that the workforce may resist change, such as; fear of the unknown, threatening job security, and lack of resources. However, today's business environment is ever changing and managers must encourage change to keep up with competition. One way to encourage change is through the empowerment of subordinates in certain aspects of their daily duties.

This concept would never have been thought of in the past. It is now commonly used by organizations very effectively. This eventually delegates authority from mid-management down to the frontline workers, freeing up the managers to perform more important duties and problems can then be handled in a timelier manner. This results in a flatter organization that many organizations have been following to increase communication, productivity, and morale.

Another way to promote change is the method of planning used by today's managers. Previously, plans were implemented and carried out for lengths of time without any type of change. This often led to market wide stagnation and saturation. With today's changing technology, plans must be flexible and they must be constantly monitored and altered. This is referred to as emergent strategy where managers change and emerge from the new economy. Employees should be told details of what changes will take place and why the changes are necessary. If the workforce sees that they are respected, they will be more open minded to the changes.

Changes will inevitably take place in today's organizations, and managers need to have strong communication skills to build staff support and strong planning skills in order for the changes to occur successfully. It is important to move people forward and make sure they are involved in the changes while working toward the goals of the organization.

## 2.4 Previous Studies

Due to time constraints and lack of available resources, the researcher was not able to come across many neither previous Arabic studies nor articles directly related to the partnership between the human resources management and strategy formulation within organizations, as was the case with English resources. Nevertheless, the following are some of the available sources that were obtained which were related in one way or the other to the subject thesis.

**1. Nankervis, A. R., (study 2000) entitled *Human Resource Management Strategies as Competitive Advantage: A Case Example of the Hospitality Sector in Southeast Asia & the Pacific Rim***

This article analyses the vulnerability of the hospitality sector of the tourism industry in relation to its multiple business environments.

Using recent regional economic and socio-political events as a catalyst for discussion, it suggests that the sustainability of this sector is largely dependent on its internal management practices.

It argues that, of all management practices, its human resource management (HRM) strategies provide the key to future competitiveness.

**2. Layne, Richard J. (study 2006) entitled *Knowledge Worker: Human Resource Strategy to Achieve a Competitive Advantage***

This paper drew from the literature in the fields of organizational learning, knowledge creation, knowledge worker, and the human resource strategy that best supports the firm objective of creating and sustaining a competitive advantage in the US economies. As the workers become more knowledge based, the researcher found that firms will need to implement strategic human resource practices in order to retain their tacit knowledge base either by retaining the tacit knowledge or by retaining the knowledge worker and thus retaining a critical competitive advantage source. A model was proposed that contains human resource practices as a moderating variable between the knowledge creation process and firm performance linkage.

Since knowledge has become a valuable business resource, firms will need to control the movement of knowledge assets when they experience knowledge worker turnover similar to what they do today with traditional assets. Human resource practices are a key link between the knowledge worker's tacit knowledge and the firm's ability to create and sustain a competitive advantage.

### 3. *Human Resource Management in Organizations*, 2006, *Journal of Human Resource Management*, 15(1), 1-15

This research focuses mainly on shedding some light on the management that demonstrates great care on the human element in any organization, be it a company or a corporation. That management is the Human Resource Management; its creation, development, specific managerial roles, in addition to the differences between the traditional HR function and the current contemporary roles of the human resource departments in organizations.

The research concluded that the role of the human resource management has altered and changed dramatically nowadays in comparison to the past. The human resource departments are now responsible for the protection, development and the organizing of the human resources internal relationships at work.

HR departments are also responsible for stimulating and motivating employees both materialistically and morally to increase their loyalty and sense of belonging towards the organization, hence, utilizing their skills, creativity and conventionality to the best of their capabilities.

### 4. *Human Resource Management in Organizations*, 2007, *Journal of Human Resource Management*, 16(1), 1-16

This article discusses how Human Resources is still viewed as a secondary and supportive function in companies throughout the Middle Eastern region, and that is mainly due to the following – but not limited to – reasons:

- ✍ The fact that the HR managements are separated from and kept far from making essential strategic decisions, and are merely looked upon as support functions.
- ✍ Limiting the HR departments to matters concerning personnel recruiting and hiring, calculating payrolls, coordinating employee files, sick leaves, vacations, etc. In simple terms, viewing the HR department as a personnel department.
- ✍ Lack of projecting future needs, hence, concentrating only on matters that require immediate attention at the time of need.
- ✍ The absence of clearly stated and announced company policies and procedures which is usually considered the basis for all the human resource department's activities and internal functions.
- ✍ Neglecting the importance of probation periods when hiring employees, along with disregarding any orientation and training that is supposed to be given to new comers.

5.

,2007 ,

This article discussed one of the results of globalization, which was placing organizations (companies and institutions) in most countries of the world in fast changing economic, financial, and legal environments, making the world a small village. Therefore, they no longer have the restrictions that were earlier imposed on them by their countries to protect their domestic industries. Hence, they became free in moving and circulating goods and services much more than in the past, which caused fierce competition between organizations and international companies at both local and regional levels.

It also mentioned that due to globalization, many needed changes within organizations occurred. One area in specific which needed comprehensive change and adaptation was the Department of Human Resources, since after globalization, it was no longer possible to continue viewing it as simply a "people management" department as it was called before the 1980's; hence it was replaced with the term "Human Resources Management" HRM, and the change was not merely in the name, but the change extended to the content and roles of the HRM, which eventually came to have its own strategy that complemented the overall strategy of the organization, and was ultimately considered an integral player in the achieving of the overall company goals and strategy.

The article also highlighted that nowadays the effective human resources management strategy depends upon the future strategy of the organization, which is designed to meet and provide the needs of other organizational departments, such as the provisions of adequate, trained and qualified human resources, that are properly stimulated through training programs and educational policies developed by the human resources department to develop and raise the capacities of these personnel. In doing so, each department - or function - within the organization would achieve its strategic objectives, and thus achieve the overall strategic objectives of the organization.

Thus, the responsibility for managing human resources became very large, targeted towards continually creating and adapting its strategies, activities and practices to the internal and external environmental challenges and variables that influence the organization's general strategy.

Before talking about the human resources management strategy and the impact of its strategic dimensions on the role of human resources management, the article briefly described some of the administrative, production, marketing and sales challenges that surround organizations. These contemporary challenges, whether administrative or legal, etc. are imposed on organizations - at the heart of which is the human resources department.

The challenges were briefly mentioned in the article and quoted by Oren Harari. Following are a few of them amongst others:

- ✍ Achieving added value in all areas of the organization must be the goal and responsibility of each and every personnel within the company, where everyone has to focus on the matters of profit and loss.
- ✍ Ambition and the continuous search for the best should be the slogan of the organization and all of its staff members, and thus facing challenges would be part of the lives of workers in the organization.
- ✍ Benefiting from mistakes and experiences of the past is important.
- ✍ Innovation - and the constant improvement of everything within the organization – must be a settled and inevitable issue.

The article also defined what human resources management strategy is, and clearly stated that the building of human resources strategy coincides with:

- ✍ The strategic requirements of the organization, including its mission, goals, objectives and means.
- ✍ The requirements of strategic organizational structure (the various departments and needs of efficient and effective human resources).

The article then goes on to mention how the HRM came to develop and implement an integrated strategy that corresponds with the overall strategy of the organization through:

- ✍ The designing of new job descriptions and services that align with the organizations new products for instance.
- ✍ Identifying the human resource needs required by the organization to serve the new product, along with specifying the number of human resources that will be dispensed of because they lack the skills required for the development of the new product.
- ✍ Designing a comprehensive campaign to attract labor, with the aim of finding and providing efficient and highly skilled human resources to choose and hire from amongst them.
- ✍ Preparing training programs and courses by using means and methods of modern scientific training, and advanced technological knowledge from within the industry of the new product.



 continued

Another important issue that was tackled in the article was the integration, coordination and cooperation between the different department managers and the directors of their human resources management departments, ensuring that their strategies lead to the avoidance of falling into errors that could jeopardize the achievement of the overall strategy of the organization.

Finally, the article demonstrated a summary of the strategic dimensions of the roles and functions of the Department of Human Resources.

## Chapter Three

# Research Model & Methodology

---

### 3. RESEARCH MODEL & METHODOLOGY

In this section, the model and propositions of the roles of strategic human resources aspects in developing competitive advantage in organizations are developed on the basis of the literature review. Then the methodology used in the research is also discussed.

#### 3.1 Research Model

First, an overview of the model is presented. Then, descriptives through which some SHRM aspects affect competitive advantage are discussed and the related propositions are presented. Finally, the contingencies and the related propositions are presented.

##### Model Overview

An overview of the research model is presented in Figure 6. As shown in the figure, the model articulates three chosen aspects of SHRM through which firms may obtain competitive advantage\*. Each of the aspects conveys distinct advantages. These advantages stem from the resource, capability, efficiency and market power benefits that firms may obtain through carrying out business strategies. These advantages are firm specific, meaning that firms can take actions in order to change them.

#### Independent Variables

#### Dependant Variable

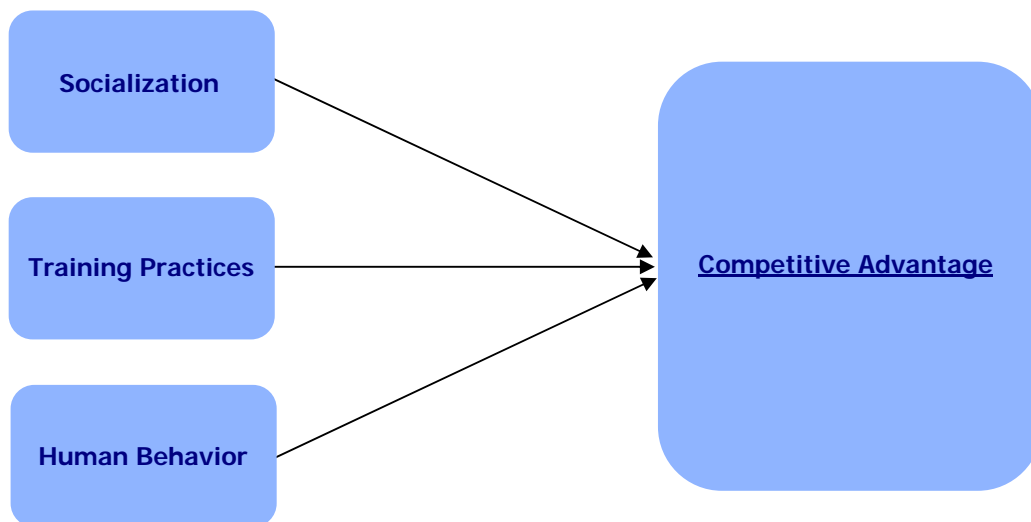


Figure 6 ~ *Proposed relationship between SHRM aspects and competitive advantage*

\* As defined previously, competitive advantage refers to a firm's ability to implement value creating strategies that are not being implemented by any current or potential competitors. Strategies that are rare, inimitable and non-substitutable.

### **Socialization Aspect**

Chao, O’Leary-Kelly, Wolf, Klein, and Gardner developed six content areas for organizational socialization and developed scales to research learning in these areas: *Performance proficiency, language, people, politics, organizational goals and values, and history*. Performance proficiency involves learning to perform a job successfully. Language involves learning special acronyms and terminology used by the organization. The people dimension includes learning to get along with other organizational members. Politics involves learning formal and informal power structures. Organizational goals and values involve understanding the organization’s culture. Finally, history involves learning about the organization’s past as well as the specific history associated with the employee’s business unit.

Regardless of how people learn in these content areas, competitiveness is associated with greater socialization and greater socialization was associated with positive job and career outcomes.

By socializing, organizations increase the range of distinctive resources that they are likely to come across and that they can potentially use for value creation. By engaging into socialization practices, organizations build a competent workforce, one where people believe they fit in well with their organizations, which is often viewed as a competitive edge in today’s business.

For organizations, a competent and committed workforce minimizes costly turnover and selection expenses. Moreover, individual employee attributes associated with successful organizational socialization can accumulate across the organization to positively effect organizational performance and effectiveness. Organizational socialization is a primary process to facilitate work adjustment for new employees or for employees taking on new roles.

Thus, the model proposes:

***Proposition~1: An organization’s socialization activities are positively related to its ability to obtain distinctive resources that develop its competitive advantage.***

### **Training Aspect**

The quality of employees and their development through training and education are major factors in determining long-term profitability of a business. If good employees are hired, it is good policy to invest in the development of their skills, so they can increase their productivity.

Companies are now emphasizing on the growth and development of their personnel for several reasons, some of which include:

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.
- Enhancing the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff.
- Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale.
- Ensuring adequate human resources for expansion into new programs.

Researches have also shown specific benefits that businesses receive and develop from training and developing its workers, including:

- Increased productivity.
- Reduced employee turnover.
- Increased efficiency resulting in financial gains.
- Decreased need for supervision.

Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

In sum, by implementing employee training programs, organizations are likely to enhance their chances of developing their employees' learnings which ultimately leads to their chances of achieving better capabilities and productivity as well.

Thus, the model proposes:

***Proposition~2: An organization's training programs and activities are positively related to its ability to obtain distinctive resources that develop its competitive advantage.***

### **Human Behavior Aspect**

In response to fast-changing economic and technological environments, companies are shifting to new organizational models characterized by flat hierarchies and highly autonomous teams. In such environments, aligning employees with the organization's strategy becomes even more critical at the very time when the traditional command-and-control mechanisms for achieving that alignment are becoming less effective (Evans & Wurster, 2000).

Most managers would admit that aligning behavior with strategy is important. Indeed, they spend considerable time and energy trying to shape the behavioral characteristics of the organizations and employees they run. And yet, relatively few are confident that they do so effectively. Part of the problem is that they lack thorough tools for analyzing organizational behavior and intervening to change it. And so they fall back on a set of simplistic and misguided assumptions about what drives behavior in organizations and how to change it.

In all but the smallest and simplest of organizations, managers need to rely on others in order to get things done. Indeed, one of the primary tasks of management is to influence the behavior of others so that they act in ways that are relevant to the business context and effective in achieving business goals.

To that end, managers make use of a wide range of organizational levers to ensure that employees' behavior is aligned with the company's strategy. They set a strategic direction and communicate it widely. They design the organizational structure and define key roles, procedures, and processes. They establish metrics for performance evaluation and set incentives to motivate behavior. And they create information systems to make sure the right information gets to the right people. In all these ways, managers intervene to shape and direct employees' behavior to desired ends of creating company competitiveness.

Thus, the model proposes:

***Proposition~3: Constructive human behavior of an organization's employees is positively related to its ability to obtain distinctive resources that develop its competitive advantage.***

## **3.2 Methodology**

This section discusses how the research model was derived. Then, the process of collecting data from the sample firms themselves is discussed. Next, the operationalization of variables is mentioned. Finally, the statistical methods used in the research are revised.

The hypothesized model of the research is developed on the basis of available literature review of the available relevant theories of strategic management, organizational learning, and competitive advantage. The hypotheses are operationalized by adopting measures from previous studies, and are then tested empirically by using statistical methods. The data used in the analysis were collected from various sources; the initial data that determined the sample were collected from consultations and firm websites. Further data were also obtained directly from the sample firms through qualitative and quantitative questionnaire items.

Thus, based on the available literature review of relevant theories and the statistical analysis of the hypotheses derived from the theories, this research attempts to identify the mechanisms of how the Jordanian telecommunications companies may derive competitive advantage from strategic human resources practices, and to articulate the implications of these mechanisms to SHRM-adopting firms as well as to organizations supporting them.

## **3.3 Operationalizations**

This section introduces the operationalizations of the variables. All operationalizations were based on objective measures.

### ***3.3.1 ~ Independent Variables***

Socialization, formal training and human resource behavior have been considered as vital aspects of SHRM in developing and creating firm competitive advantages. Thus, all three were measured in this research through the utilization of various statistical analysis.

### ***3.3.2 ~ Dependant Variable***

---

Company competitive advantage – previously stated as the research's dependant variable – was also measured through statistical analysis.

### ***3.3.3 ~ Statistical Methods***

---

The developed hypotheses were tested by using multiple statistical methods, to include the means, frequency, correlation, regression, ANOVA and the Scheffee tests.



## Chapter Four

# Hypotheses Testing and Analysis of Statistical Results

---

#### 4. HYPOTHESES TESTING & ANALYSIS OF STATISTICAL RESULTS

As mentioned earlier, the sample size that the researcher was aiming to reach was between 40–60. However, from the 80 questionnaires that were distributed amongst the three telecommunications professionals, 50 were returned amongst which 13 were ineligible due to either missing information or because of obvious carelessness in replying to the designed survey questions. Hence, 37 legitimate questionnaires were ultimately the basis on which the research was conducted.

The questionnaire tool that was used in the research was comprised of 5 main sections. The first section tackles demographic factors which include:

- Gender
- Age
- Level of Education
- Employment Department
- Years of Experience
- Employment Level

The remaining four sections were then measured through the following Likert scale:

SA= Strongly Agree    A= Agree    N= Neutral    D= Disagree    SD= Strongly Disagree

In specific, section two talks about the SHRM *socialization factor* that includes questionnaire [q1 throughout q12]. A new variable that was named **[socialize]** was then measured by developing the mean value of all these questions.

Section three measures the *training factor* of SHRM which was addressed throughout [q13 through q36] in the questionnaire. From those, a new variable named **[training]** was measured by developing the mean value of all these questions.

Section four defines the *human resources behavior factor* in the course of [q37 – q54] of the questionnaire, and a new variable was named **[hrbehave]** was developed through measuring the mean value for the related questions.

Finally, section five of the questionnaire was designed to measure the research's dependant variable, the competitive advantage factor, through collecting data on [q55 – q69] of the questionnaire, and here once again, another new variable was measured under the name of **[compativ]** through developing the mean value of all these fourteen questions.

#### 4.1 Descriptive Statistical Analysis

This section revolves around analyzing the selected sample's demographic characteristics. The following statistics were noticed from the analysis:

**Company Name**

		Frequency	Percent
Valid	1 Zain	10	27.0
	2 Umniah	14	37.8
	3 Orange	13	35.1
	Total	37	100.0

Table 4.1.1 ~ Output of frequency analysis of the company variable

From the above table, it is evident that 27% of the sample responses were received from Zain HR executives and line managers. 37.8% were from Orange, and 35.1% of the data received was derived from Umniah managers.

**Employee Gender**

		Frequency	Percent
Valid	1 Male	20	54.1
	2 Female	17	45.9
	Total	37	100.0

Table 4.1.2 ~ Output of frequency analysis of the gender variable

From table 4.1.2, 54.1% of the sample responses were received by females as opposed to the 45.9% from males.

Employee age

	Frequency	Percent
Valid 1 21-30	15	40.5
2 31-40	20	54.1
3 41-50	2	5.4
Total	37	100.0

Table 4.1.3 ~ Output of frequency analysis of the age variable

From the previous table, we notice that 40.5% of the respondents were in the age group between [21 – 30] years of age; 54.1% between [31 – 40], 5.4% in the range from [41 – 50]. This gives us an indication as to the current and preferred age group that is hired within high-paced challenging industries.

Level Of Education

	Frequency	Percent
Valid 3 Bachelor	28	75.7
4 Master	9	24.3
Total	37	100.0

Table 4.1.4 ~ Output of frequency analysis of the education variable

Table 4.1.4 apparently reflects that the sample professionals within all three companies – Zain, Orange and Umniah – held either the bachelor's or higher master's degree. None of them held less, which also reflects the importance of the academic and personal development of company employees.

Employment Department

	Frequency	Valid Percent
Valid 1 Top Management	2	5.6
2 HR Department	18	50.0
3 Marketing Department	9	25.0
7 Communication Department	2	5.6
8 IT	1	2.8
9 Engineering	4	11.1
Total	36	100.0
Missing System	1	
Total	37	

Table 4.1.5 ~ Output of frequency analysis of the employment department variable

As for the employment department category, it was noticed that 5.6% of the respondents were from the top management, 50% were from the human resource department personnel, 25% were marketing line managers, 5.6% from the communication department, 2.8% information technology (IT), and 11.1% were received from the engineering department.

Years Of Experience			
		Frequency	Percent
Valid	1 less than 1	2	5.4
	2 1-5	7	18.9
	3 6-10	13	35.1
	4 11 or more	15	40.5
	Total	37	100.0

Table 4.1.6 ~ Output of frequency analysis of the years of experience variable

With regards to the years of experience category, it is evident that most of the responses received were from employees that have been in their respective companies for 11 years or more, with the percentage of 40.5%, in comparison to the 5.4% of those working for less than a year; 18.9% for those working from 1-5 years, and 35.1% who have been working between 6-10 years.

According to the above percentages, one would conclude (assume) that there is low employee-turnover at the companies is general.

Employment level			
		Frequency	Valid Percent
Valid	1 Managerial	20	55.6
	2 Executive Employment	4	11.1
	3 team leader	11	30.6
	4 Other Position	1	2.8
	Total	36	100.0
Missing	System	1	
Total		37	

Table 4.1.7 ~ Output of frequency analysis of the employment level variable

From the last demographical level, it is noticed that 55.6% of the respondents were of managerial positions at the companies; 11.1% were of executive employment; team leaders were 30.6% of the sample studied, and 2.8% were from other positions within the companies.

## 4.2 Inferential Statistical Analysis

### Hypothesis 1

$H_0$ : There is no significant statistical relationship between socialization activities and developing a competitive advantage.

### Correlation

To investigate the existence of a relationship between the socialization and competitive advantage variables, we need to conduct a correlation test.

In order to test the correlation, we must ensure the normality assumption is first satisfied. To test the normality, we conducted the following P-P Plot.

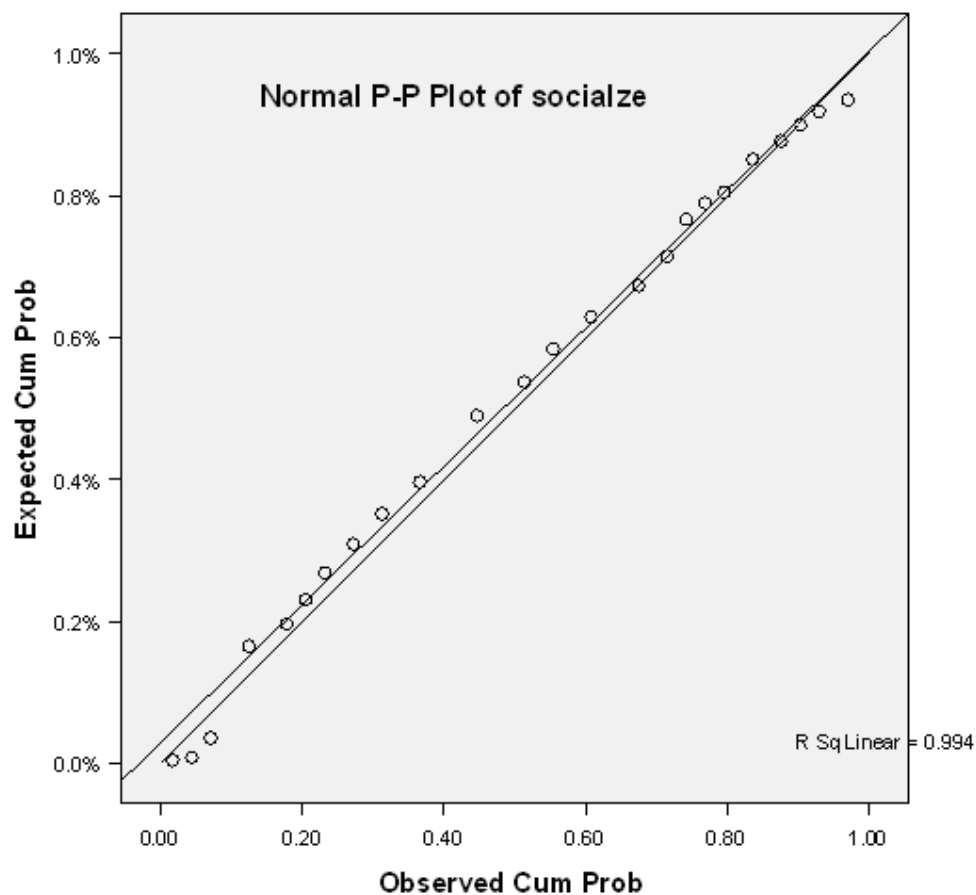


Figure 7 ~ Socialization P-P Graph

It is clearly evident from the above graph that the socialization factor is normally distributed.

So as to answer the above hypothesis, the results of the below Simple Regression test were used in the clarification:

R	R Square	F Calculate	$\beta$ Treatment	$\beta$ Constant	Sig*
0.456	0.208	9.201	0.525	32.155	0.005

Table 4.2.1 ~ Simple Regression testing the relationship between Socialization and Competitive Advantage

From table 4.2.1, we observe that there is a significant relationship between the socialization factor and competitive advantage at  $[r=0.456]$  at the level  $[0.05 \geq \alpha]$  and coefficient of determination of  $[r^2=0.208]$ . This means that  $[0.208]$  of the competitiveness in the companies was explained by the socialization factor.

Since the  $\beta$  constant was  $[32.155]$ , this means that the increase in one unit of socialization will meet an increase in the competitive advantage by the value of  $[32.155]$  as well. Additionally, assuring a significant relationship through F calculated at the value of  $[9.201]$  at a significance level of  $[0.05 \geq \alpha]$ , which results in the rejection of the  $H_0$  hypothesis and instead accepting the  $H_A$  hypothesis which states that:

$H_A$ : There is significant statistical relationship between socialization activities and developing a competitive advantage.

In order to ensure whether or not there was a relationship between all three companies and the socialization factor, Scheffee test is used to explore which of the three companies is the cause of the relationship, as per the results in tables 4.2.2 and 4.2.3 below.

Company	Socialization Practices	
	Means	Standard Deviation
Zain	78.83	7.2030
Orange	66.41	13.9418
Umniah	84.52	11.8110

Table 4.2.2 ~ Means and Standard Deviation of companies according to the Socialization factor

Company	Zain	Orange	Umniah
Zain	-	12.4231	5.6905
Orange	-	-	18.1136*
Umniah	-	-	-

Table 4.2.3 ~ Scheffee between company Means according to the Socialization factor

It is evident from table 4.2.2 that the highest means value was represented by Umniah telecommunication. And from table 4.2.3, it is clear that there is a significant statistical relationship between both Orange and Umniah telecommunications and socialization at [18.1136] due to Umniah telecommunication with a means value of  $[\mu=84.52]$  in comparison to Orange telecom whose mean value was equal to  $[\mu=66.41]$ .

According to the previous, it is apparent that Umniah Telecommunications is the pioneer in implementing socialization practices within its organization when compared to its competitor companies Zain and Orange; hence, developing and creating company competitive advantage.



## Hypothesis 2

$H_0$ : There is no significant statistical relationship between training practices/programs and developing a competitive advantage.

### Correlation

To investigate the existence of a relationship between the training practice and competitive advantage variables, we need to conduct a correlation test.

In order to test the correlation, we must ensure the normality assumption is first satisfied. To test the normality, we conducted the following P-P Plot.

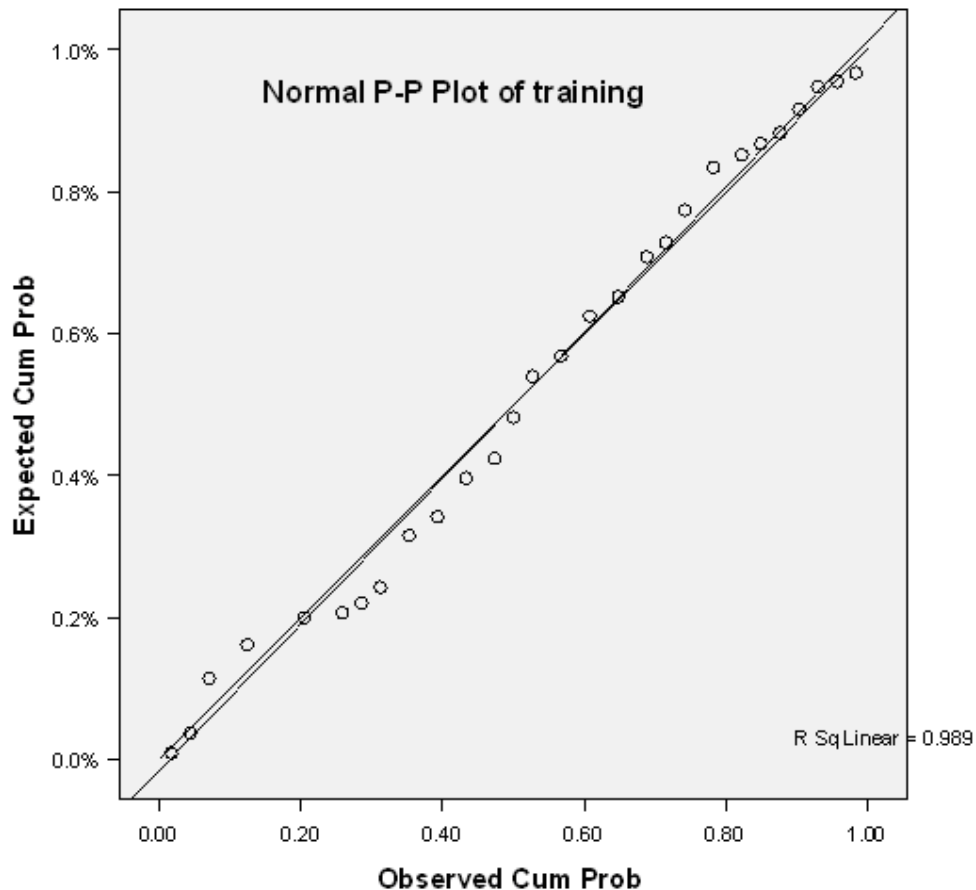


Figure 8 ~ Training Practices P-P Graph

It is clearly evident from the above graph that the training factor is normally distributed.

So as to answer the above hypothesis, the results of the below Simple Regression test were used in the clarification:

R	R Square	F Calculate	$\beta$ Treatment	$\beta$ Constant	Sig*
0.378	0.143	5.846	0.501	34.035	0.021

Table 4.2.4 ~ Simple Regression testing the relationship between Training Practices and Competitive Advantage

From table 4.2.4, we observe that there is a significant relationship between the training practices factor and competitive advantage at  $[r=0.378]$  at the level  $[0.05 \geq \alpha]$  and coefficient of determination of  $[r^2=0.143]$ . This means that  $[0.143]$  of the competitiveness in the companies was explained by the training factor.

Since the  $\beta$  constant was  $[34.035]$ , this means that the increase in one unit of training will meet an increase in the competitive advantage by the value of  $[34.035]$  as well. Additionally, assuring a significant relationship through F calculated at the value of  $[5.846]$  at a significance level of  $[0.05 \geq \alpha]$ , which results in the rejection of the  $H_0$  hypothesis and instead accepting the  $H_A$  hypothesis which states that:

*$H_A$ : There is significant statistical relationship between training practices/programs and developing a competitive advantage.*

In order to ensure whether or not there was a relationship between all three companies and the training factor, Scheffee test is used to explore which of the three companies is the cause of the relationship, as per the results in tables 4.2.5 and 4.2.6 below.

Company	Training Practices	
	Means	Standard Deviation
Zain	75.75	8.06
Orange	70.06	11.96
Umniah	83.09	11.59

Table 4.2.5 ~ Means and Standard Deviation of companies according to the Training Practices factor

Company	Zain	Orange	Umniah
Zain	-	5.6859	7.3452
Orange	-	-	13.0311*
Umniah	-	-	-

Table 4.2.6 ~ Scheffee between company Means according to the Training Practices factor

It is evident from table 4.2.5 that the highest means value was represented by Umniah telecommunication. And from table 4.2.3, it is clear that there is a significant statistical relationship between both Orange and Umniah telecommunications and training practices at [13.0311] due to Umniah telecommunication with a means value of [ $\mu=83.09$ ] in comparison to Orange telecom whose mean value was equal to [ $\mu=70.06$ ].

Once again, it is apparent that Umniah Telecommunications is also a pilot in implementing competitive advantage-developing training practices within its organization, followed relatively closely by Zain Telecommunications.

### Hypothesis 3

$H_0$ : There is no significant statistical relationship between human resources behavior and developing a competitive advantage.

### Correlation

To investigate the existence of a relationship between the training practice and competitive advantage variables, we need to conduct a correlation test.

In order to test the correlation, we must ensure the normality assumption is first satisfied. To test the normality, we conducted the following P-P Plot.

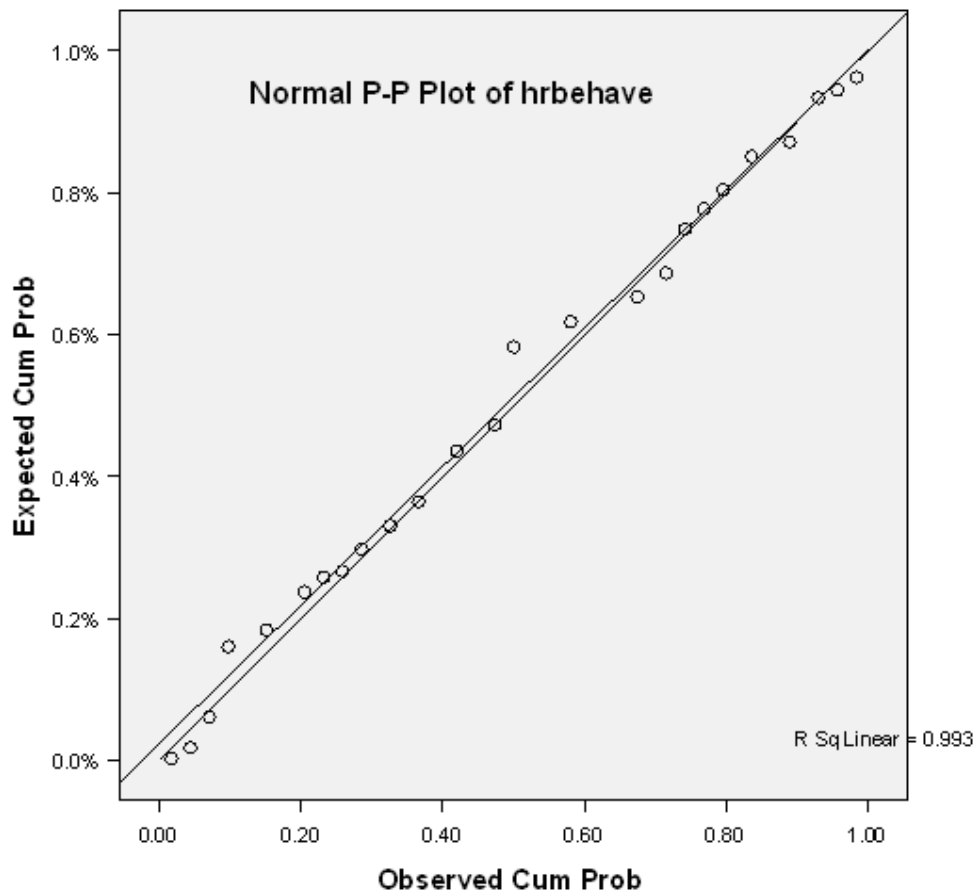


Figure 9 ~ Human Resources Behavior P-P Graph

It is clearly evident from the above graph that the human resources behavior factor is normally distributed.

So as to answer the above hypothesis, the results of the below Simple Regression test were used in the clarification:

R	R Square	F Calculate	$\beta$ Treatment	$\beta$ Constant	Sig*
0.216	0.047	1.718	0.237	54.493	0.198

Table 4.2.7 ~ Simple Regression testing the relationship between Human Resources Behavior and Competitive Advantage

From table 4.2.7, we observe that there is a significant relationship between the human resources behavior factor and competitive advantage at  $[r=0.216]$  at the level  $[0.05 \geq \alpha]$  and coefficient of determination of  $[r^2=0.047]$ . This means that  $[0.047]$  of the competitiveness in the companies was explained by the human resources behavior factor.

Since the  $\beta$  constant was  $[54.493]$ , this means that the increase in one unit of human resources behavior will meet an increase in the competitive advantage by the value of  $[54.493]$  as well. Additionally, assuring a non-significant relationship through F calculated at the value of  $[1.718]$  which is not significant at the level of  $[0.05 \geq \alpha]$ , which results in the acceptance of the  $H_0$  hypothesis which states that:

*$H_0$ : There is no significant statistical relationship between human resources behavior and developing a competitive advantage.*

Since there was no significant relationship between the human resources behavior and developing a competitive advantage, we did not need to further investigate the Scheffe between company means according to this SHRM aspect (human resources behavior), as it would be irrelevant and not applicable with regards to this specific SHRM aspect.

## Chapter Five

# Conclusions & Recommendations

---

## **5. CONCLUSIONS & RECOMMENDATIONS**

As established throughout the first three chapters, and most importantly as statistically proven in chapter four, one factor that can set an organization apart from its competitors whether in services or products, in both the private or public sector is its employees. The quality of the organization's employees, their enthusiasm, newcomer's smooth integration, their development and their satisfaction with their jobs and the company all have a significant impact on the organization's productivity, level of customer service, reputation, competitiveness and survival.

In other words, in a competitive environment, people make the difference. Human resources are a critical component in every area of the organization, from finance to sales to customer service to line management.

### **5.1 Conclusions**

Managers and supervisors in every department confront human resource issues every day and are responsible not only for interactions within their own department, but also interactions between departments. The primary function of human resources management today is to ensure the effective and efficient use of human talent to accomplish an organization's goals and objectives.

Using human resources as a competitive advantage means analyzing what factors are necessary for the organization's long-term success. Areas such as organizational design, key work processes, teams, hiring effective employees, promotion strategies, defining competencies and performance measures, training and development programs for current jobs and preparation for future positions, reward and recognition systems, motivation and retention, and customer perceptions of the organization and employees are essential to this concept.

In order to formulate appropriate competitive advantage through employees, it is first necessary to analyze the firm's competitive strategy or business strategy and organizational human resource practices. The organization should create a complete model of HRM and employment relationship; also it should support long-term thinking, building "core competencies" and also develop "sensing" capabilities.

Accordingly, it is the responsibility of managers and supervisors to ensure that employees are motivated, productive and positive - if not enthusiastic - about their work. This means integrating human resources practices with core business practices: encouraging all departments to work together on "people" programs that bring value to the organization and improve productivity and quality in products and services. Positive human resources business programs and organizational behavior strategies translate into a positive overall impact on the organization.

The research's sample organizations, namely *Zain*, *Orange* and *Umniah* proved to be amongst those organizations that are aware of the fact that human resources do make a difference in the performance of the organization. These organizations acknowledge the significance of their employees in making a difference in their companies and providing the essential ingredient for its competitive advantage.

*Successful organizations do not isolate their "people programs". They consider them an integral part of their business strategy (Finigan 1998).*



## **5.2 Recommendations and Suggestions for Future Study**

Building a competent workforce, one where people believe they fit in well with their organizations, is often viewed as a competitive edge in today's business. For organizations, a competent and committed workforce minimizes costly turnover and selection expenses. Moreover, individual employee attributes associated with successful organizational socialization can accumulate across the organization to positively effect organizational performance and effectiveness.

Based on the above, and from the numerous available reading materials, cases, and research results, the following few generalized recommendations can be made for achieving competitive advantage in SHRM-adopting organizations and company employees:

1. All knowledge intensive and technology intensive industries, such as telecommunications in this respect, rely substantially on intangible assets and complex organizational, technical and network capabilities. Therefore, firms are expected to transform and organize resources into capabilities, which are selectively employed to build competitive advantage that protects their market share, their customer base, or their profit margins (Grant, 1998).
2. Individuals should be proactive managers of the socialization process. By astute observations, selective information seeking, and positive responses to organizational demands, individuals can better determine if the type of person desired by the organization is the type of person the newcomer wants to be.
3. In addition to culture-related socialization interventions, organizations can help their employees adjust to their jobs by providing adequate training and resources to help employees maximize their job performance. Therefore, organizations must prioritize and invest in personnel skill and knowledge development.
4. The management should trust their workers and give them responsible and challenging assignments; workers in return will respond with high motivation, high commitment and high performance.
5. Designing employee handbooks that shape newcomer expectations and identify behaviors and customs of insiders that the organization would like to promote.
6. Management commitment to full employment. This means that if the job disappears through technological change or shuts down, then the company needs to offer alternative employment opportunities or help in the acquisition of another.

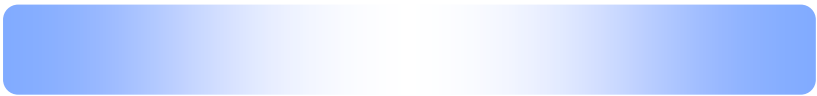
7. Promoting performance feedback that gives newcomers a sense of how the organization perceives the person-organization fit and provide guidance to improve the fit, if warranted.
8. The organization effectiveness can be increased by improving the matching between what the organization requires of its employees and what they require of it.
9. The employer strategy should focus on creating competitive advantage through the employees and using the practices that support this strategy which include:
  - Creating an attractive work environment through socialization practices.
  - Optimizing people resource levels through constant training and skill development.
  - Sharing information.
  - Developing capabilities.
  - Designing optimal work systems.
  - Aligning reward and recognition systems.
10. Last but not least, the researcher recommends that the following five goals which provide a framework for identifying areas of human resource policy should be emphasized:
  - HR should be integrated to strategic plans as a rule.
  - Organizational commitment, combined with job commitment will result in high employee satisfaction, high performance, longer tenure and a willingness to accept change.
  - Flexible organization together with flexible job content and flexible employees will result in a capacity to respond swiftly and effectively to changes and ensure the continuing high utilization of human and other resources.
  - High commitment, trust and motivation are to be maintained, then it is particularly important that management policy and practice is perceived to be high quality by lower grade employees.
  - The pursuit of policies designed to ensure the recruitment and retention of high quality staff to undertake demanding jobs, supported by component management will result in high performance levels.

---

### ***Future Study***

---

The propositions and ideas presented in this paper need further empirical testing. Future research needs to address how human resource practices moderate the relationship between a yet another vital SHRM factor – knowledge - and firm performance. Strategic human resource practices would then be associated with the linkage between the knowledge worker's tacit knowledge and the firm's ability to create and sustain a competitive advantage.



## References



## REFERENCES

- Al-Nadi, Fathi, *People Concern Developing a HR Competitive Advantage*, <http://fathelnadi.blogspot.com/>
- Alvesson, M. (2000). *Social Identity and the Problem of Loyalty in Knowledge-Intensive Companies*. Journal of Management Studies, 37(8), 1101-1123.
- Alvord, Brice, *Building Sustainable Competitive Advantage*, Article Source: [http://EzineArticles.com/?expert=Brice Alvord](http://EzineArticles.com/?expert=Brice_Alvord)
- Bamberger, P., & Meshoulam, I. (2000). *Human Resource Strategy: Formulation, Implementation, and Impact*. Thousand Oaks, CA: Sage.
- Barney, J. 1991, "Firm Resources and Sustained Competitive Advantage", Journal of Management, Vol. 17, No 1, pp99-120.
- Beer et al. (1984). *Managing Human Assets*, 1984, p. 25.
- Beer, M. Spector, B. Lawrence, P. Mills, D.Q. & Walton, R. 1985, *Human Resource Management: A General Managers Perspective*, Free Press, New York.
- Boxall, P. & Purcell, J. 2003, *Strategy and Human Resource Management*, Palgrave Macmillan, Hampshire.
- Boxall, P. 1992 "Strategic Human Resource Management: Beginnings of a New Theoretical Sophisticated?" Human Resource Management Journal, Vol. 2, No. 3, pp60-79.
- Boxall, P. 1995, "The challenge of HRM, Directions and Debates in New Zealand", Longman Paul
- Boxall, P. 1996, "The Strategic Human Resource Management Debate and the Resource-Based View of the Firm" Human Resource Management Journal, Vol. 6, No.3, pp 59-75.
- Cappelli, Peter and Harbir Singh (1992). "Integrating Strategic Human Resources and Strategic Management" in Research Frontiers in Industrial Relations and Human Resources, eds. David
- Chandler, Alfred D. (1962). *Strategy and Structure*. Cambridge, Mass.: MIT Press.
- Chao GT, O'Leary-Kelly AM, Wolf S, Klein HJ, Gardner PD. *Organizational Socialization: Its Content and Consequences*. Journal of Applied Psychology. 1994; 79:730-743.
- Chao GT. *Organizational Socialization in Multinational Corporations: The Role of Implicit Learning*. In: Cooper CL, Jackson S, editors. *Creating Tomorrow's Organizations: A Handbook for Future Research in Organizational Behavior*. NY: Wiley; 1997. p. 43-57.
- Child, J. 1972 "Organization Structure, Environment and Performance: The Role of Strategic Choice", Sociology, Vol.6, No. 3 pp. 1-22.
- Child, Jane, *The Importance of People Development*, Interactions Ltd., [www.interactions.ltd.uk](http://www.interactions.ltd.uk)
- Coff, R.W., 1994, "Human Assets and Organization Control: Implication of the Resource-based View" John M. Olin School of Business Washington University in St.Louis.
- Colling, T. (1995), "Experiencing Turbulence: Competition, Strategic Choice and the Management of Human Resources in British Airways", Human Resource Management Journal, Vol. 5 No.5, pp.18-33.
- Csikszentmihalyi, M. 1988 "Society, Culture, and Person: a Systems View of Creativity," in Sternberg, R. J. ed. *The Nature of Creativity*, Cambridge University Press, Cambridge, UK.
- Dakin, S. & Smith, M., 1995, "Reward Systems", *The Challenge of HRM Directions and Debates in NZ* Edited by Peter Boxall, Chapter 5, p 112-149.
- Dean E.B. 1998, Internet article
- Devanna, M.A., (1984) 'A Framework for Strategic Human Resource Management', in Devanna, M.A. (eds) *Strategic Human Resource Management*, New York: John Wiley

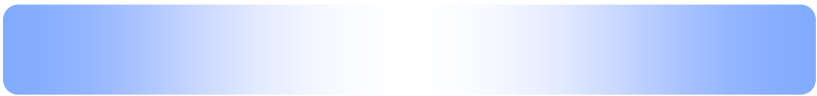
- Devanna, M.A., Fombrun, C. & Tichy, N. 1981. *Human Resource Management: A Strategic Perspective*. Organizational Dynamics, 9 (3): 51-68.
- Drucker, P. F. (1993). *Post-Capitalist Society*. New York: Harper Business.
- Drucker, P. F. (2002). *Knowledge Work*. Executive Excellence, 19(10), 12.
- Drucker, P. F. (2003). *New Trends in Management*. Executive Excellence, 20(8), 8-9.
- Fisher CD. *Organizational Socialization: An Integrative Review*. Research in Personnel and Human Resource Management. 1986;4:101–145.
- Fombrun, C.J./Tichy, N.M./DeVanna, M.A. (1984): *Strategic Human Resource Management*. New York: John Wiley & Sons, Inc.
- Grant, R. 1991, “*The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formation*”, California Management Review, Vol. 33, No2, pp 114-135.
- Grant, R. M. (1996a). *Prospering in Dynamically-competitive Environments: Organizational Capability as Knowledge Integration*. Organization Science, 7(4), 375-387
- Grant, R. M. (1996b). *Toward a Knowledge-based Theory of the Firm*. Strategic Management Journal, 17, 109-122.
- Gratton, L. 1997, “*HR Strategy: People Management*” Vol. 3, No 15, 24 July pp 22-27.
- Grossman, R.J. (1999, July). “*Ensuring a Fast Start.*” *HR Magazine*, 44(7): 32-39
- Guest D. 1997. ‘*Human Resource Management and Performance: A Review of the Research Agenda*’. The International Journal of Human Resource Management. Vol. 8, no. 3, 263-276
- Guest, D 1987 “*HRM and Industrial Relations*” Journal of Management Studies, pp 503-521.
- Guest, D 1990 “*HRM and the American Dream*”, Journal of Management Studies, pp 377-397.
- Guest, D. E. 1997, ‘*Human Resource Management and Performance: A Review and Research Agenda*’, International Journal of Human Resource Management, vol. 8, no. 3, pp. 263-276.
- Guest, D. E. Michie, J. Conway, N. & Sheehan, M. 2003, ‘*Human Resource Management and Corporate Performance in the UK*’, British Journal of Industrial Relations, vol.41, no. 2, pp. 291-314.
- Guest, D. E., Conway, N. & Dewe, P. 2004, ‘*Using Sequential Tree Analysis to Search for ‘Bundles’ of HR Practices*’, Human Resource Management Journal, vol. 14, no. 1, pp. 79-96.
- Hall, C. (2004, June). “*Companies Share Success of Retaining Employees.*” *Houston Business Journal*, 35(5): 25-29.
- Hallowell, E.M. (1999). “*The Human Moment.*” *Harvard Business Review*, 77(1): 58-66
- Harari, Oren, 1993, *Back to the Future*, Management Review, 82.
- Hendry, J. (2000), “*Strategic Decision Making, Discourse, and Strategy as Social Practice*”, Journal of Management Studies, Vol. 37 No.7, pp.955-77.
- Huselid, M.A. & Becker, B.E. 1997. *The Impact of High Performance Work Systems, Implementation Effectiveness, and Alignment with Strategy on Shareholder Wealth*. Academy of Management Proceedings, 144-149.
- Jayne, Richard L., (2006). *Knowledge Worker: Human Resource Strategy to Achieve a Competitive Advantage*, Doctorial Dissertation ,St. Ambrose University, Davenport, Iowa
- Johnson E., 1995, “*TQM and Performance Appraisal: To Be or Not to Be*”, The Challenge of HRM Directions and Debates in NZ” Edited by Peter Boxall, Chapter 11, p 268-292.
- Kathy Monks and John McMackin (2001). *Designing and Aligning an HR System*. Human Resource Management, 11(2), pp. 57–72.
- Kennoy, T. 1992, “*Constructing Control Employment Relations: The Psychology of Influence and Control at Work*”. Edited by Hartley, J.F. and Stephenson, G. M. Blackwell, pp 91-110.

- Kochan, T. Katz, H. & McKersie, R. 1986, *The Transformation of American Industrial Relations*, Basic Books, New York.
- Legge, K. 1995, *Human Resource Management: Rhetoric's and Realities*, Macmillan, London.
- Lewin, Olivia S. Mitchell, and Peter D. Sherer. Madison, Wisc: *Industrial Relations Research Association*. Pp 165-192.
- Martell, K. & Carroll, S. 1995, 'How Strategic is Human Resource Management?' *Human Resource Management*, vol. 34, no. 2, pp. 253-267.
- McAfee, R. B. and Champagne, P. J. 1993 "Performance Management: A Strategy for Improving Employee Performance and Productivity", *J. of Managerial Psychology* Vol. 8 No.5, pp 24-32
- McShane, S. L. (1998). *Canadian Organizational Behavior*. (3rd ed.). Toronto: McGraw-Hill Ryerson.
- Mello, Jeffrey A. (2002), *Strategic Human Resource Management*, South-Western Publications
- Meon, R.D. 1989, "The Performance Appraisal System: Deming's Deadly Disease", *Quality Progress*, Vol 22, No.11, pp 62-66.
- Miller, P (1987), "Strategic Industrial Relations and Human Resource Management: Distinction, Definition and Recognition", *Journal of Management Studies*, Vol. 24 No.4, pp.347-61.
- Mintzberg, Henry (1998), *Strategy Safari: A Guided Tour Through The Wilds of Strategic Management*
- Morgan, G., 1986 "Images of Organization" Eighth Printing 1989. Chapter 6. SAGE Publications, Inc
- Nankervis, A. Compton, R. & Baird, M. 2000, *Human Resource Management*, Nelson Publishing, Australia.
- Nankervis, A. R. (2000). *Human Resource Management Strategies as Competitive Advantage: A Case Example of the Hospitality Sector in Southeast Asia & the Pacific Rim*, *Research and Practice in Human Resource Management*, 8(1), 111-133.
- Nonaka, I. (1994). *A Dynamic Theory of Organizational Knowledge Creation*. *Organization Science*, 5(1), 14-38.
- Ostroff C, Kozlowski SWJ. *Organizational Socialization as a Learning Process: The Role of Information Acquisition*. *Personnel Psychology*. 1992;45:849-874.
- Ouchi, William G. 1981 *Theory Z: How American Business can Meet the Japanese Challenge*. Reading, MA: Addison-Wesley.
- Penrose, E. (1959). *The Theory of the Growth of the Firm*. Oxford: Basil Blackwell.
- Pfeffer, J. (1998): *The Human Equation*. Boston: Harvard Business School Press.
- Pfeffer, Jeffrey (1994). *Competitive Advantage through People: Unleashing the Power of the Work Force*. Boston: Harvard Business School Press.
- Philip Evans and Thomas S. Wurster, *Blown to Bits: How the New Economics of Information Transforms Strategy* (Boston, Mass.: The Harvard Business School Press, 2000)
- Polanyi, M. (1966). *The Tacit Dimension*. London: Routledge & Kegan Paul.
- Porter, M. 1985, "Competitive Advantage: Creating and Sustaining Superior Performance", *Free Press NY*, Chapter 1, pp1-30.
- Premack, S. & Wanous, J. 1985, "A Meta-Analysis of Realistic Job Preview Experiments" *J. of Applied Psychology*, Vol. 70, pp 706-719.
- Purcell, J (1989), "The Impact of Corporate Strategy on Human Resource Management", in Storey, J (Eds), *New Perspectives on Human Resource Management*, Routledge, London
- Purcell, J. & Ahlstrand, B. 1994, *Human Resource Management in the Multi-Divisional Company*, Oxford University Press, Oxford.

- Purcell, J. (1999) "Best Practice and Best Fit: Chimera or Cul-de-sac?" Human Resource Management Journal, 9 (3), 26-41.
- Purcell, J. 2002, *Sustaining the HR and Performance Link in Difficult Times*, CIPD Conference, Harrogate.
- Purcell, J. 2004, 'The HRM-Performance Link: Why, How and When does People Management Impact on Organizational Performance?' John Lovett Memorial Lecture, University of Limerick.
- Purcell, J. 2004, *Business Strategies and Human Resource Management: Uneasy Bedfellows or Strategic Partners?* Lecture, Bath University.
- Schermerhorn Jr., John R. 1993 "Management for Productivity" fourth edition, pp 220
- Schuler, R. and Jackson, S. 1987, "Linking Competitive Strategies and Human Resource Management Practices" Academy of management executive Vol.1, No 3, pp 207-219.
- Schuler, R. S. (1992): *Strategic Human Resource Management: Linking the People with the Strategic Needs of the Business*. In: Organizational Dynamics (Summer): 18-32.
- Schuler, R.S. & Jackson, S.E. 1987, 'Linking Competitive Strategies with Human Management Practices', Academic of Management Executive, vol. 1, no. 3, pp. 209-213.
- Schuler, R.S. (1998), *Managing Human Resources*, Cincinnati, OH: South-Western.
- Singh, K. (2003). *Strategic HR Orientation and Firm Performance in India*. International Journal of Human Resource Management, 14 (4): 530-543.
- Smith, A.D. and Manna, D.R. (2006a). "Strategic Challenges of Managing in a Global Environment: A Multi-firm Study". Oil Gas and Energy Quarterly, 54(3): 501-513.
- Smith, A.D. and Manna, D.R". (2006b). "Operational and Marketing Aspects of Inventory Management: Case Studies of Selected Global Companies." Oil Gas and Energy Quarterly. 54(4): 829-845.
- Snell, S. A. and J. W. Jr. Dean, 1992, 'Integrated Manufacturing and Human Resource'
- Snell, S. A./Youndt, M. A./Wright, P. M. (1996): *Establishing a Framework for Research in Strategic Human Resource Management: Merging Resource Theory and Organizational Learning*. In: Research in Personnel and Human Resource Management, 14: 61-90.
- Storey, J 1989. *From Personnel Management to Human Resource Management*, in New Perspectives on Human Resource Management, ed J Storey, Routledge, London
- Storey, J. 1995, *Human Resource Management: A Critical Text*, Routledge, London.
- Streeck, Wolfgang. 1987. *The Uncertainties of Management in the Management of Uncertainty*. International Journal of Political Economy, Vol.17 No. 3. PP: 57-87.
- Sullivan J, 1998, "Why Employment is a Strategic Function: The Business Impacts of a Bad Hiring Decision", Internet source.
- Tebbel, C. 2000, 'HR Just Make the Grade', HR Monthly, February, pp. 16-21.
- Thompson, Paul and McHugh, David (2002) *Work Organizations: A Critical Introduction*, Third Edition, Palgrave, New York
- Ulrich, D. (1998). *A New Mandate for Human Resources*. Harvard Business Review, 76 (1): 124 135.
- Ulrich. D. (1997). *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*. Boston mass: Harvard university school press.
- Van Maanen, J. (1976). *Breaking in: Socialization to Work*. In R. Dubin (Ed.), Handbook of work, organization, and society, p. 67. Chicago: Rand McNally.
- Vega, G., & Lacey, J. (1996). *The New Social Contract: 10 Suggestions for Change*. Social Policy, 26(4), 56-64.
- Wills, Mike (1998), *Managing the Training Process: Putting the Principles into Practice*. Gower Publishing Ltd.



- Wilson, M.,1995, “Reward Systems”, “The Challenge of HRM Directions and Debates in NZ” Edited by Peter Boxall, Chapter 7, p 178-202.
- Wright, P., McMahan, G. and McWilliams, A., 1994 “Human Resources and Sustained Competitive Advantage: A Resource-Based Perspective” Int. J. of HRM, Vol. 5, No 2, pp 301-326.
- Wright, P., McMahan, G., 1992 “Theoretical Perspectives for Strategic Human Resource Management”. Journal of Management, Vol. 18, No 2, pp 295-320.
- Youndt, M. A. & Scott, S.A. (1996). *Human Resource Management, Manufacturing Strategy, and Firm Performance*. Academy of Management Journal, 39 (4): 836-857.
- ,2007 , ,
- ,2006 , ,
- ,2007 , ,



# Indices



Middle East University for Graduate Studies  
Department of Administrative Sciences

A MASTER'S DEGREE **QUESTIONNAIRE** ON

**ASPECTS OF STRATEGIC HUMAN RESOURCES MANAGEMENT AND THEIR  
ROLE IN DEVELOPING COMPETITIVE ADVANTAGE**

[An Applied Study on the Jordanian Mobile Telecommunications Industry]

For further information and/or clarifications, please contact the researcher at [rdnajia@gmail.com](mailto:rdnajia@gmail.com)

## ***Background to the Research***

---

As the number of knowledge workers increases in the workforce, human resource management will play a critical role in creating and engaging the critical knowledge required to sustain a competitive advantage. The international economies are in the process of changing from a society based on industrial technology, organization, and values to one based on knowledge and information

Therefore, the importance of this survey is linked to the significance of developing unique human resource practices in the Jordanian telecommunication industry that affect both the HR capital pool and the overall human resource behavior towards achieving the organization's goals through sustainable competitive advantages.

## ***Questionnaire Objectives***

The goal of this survey is to gather both quantitative and qualitative information and data on HR management in the Jordanian Telecommunication industry and to analyse HRM practices and systems across major telecom companies to determine aspects of strategic human resources management that can develop and create competitive advantages for the companies.

## ***Questionnaire Methodology***

The survey is in the form of a **questionnaire**, with the target group of HR managers and executives, in addition to line management managers. The questionnaire comprises "tick-the-box" questions and "open-ended" questions. The former will help to compare data between companies, while the latter will enrich the contents and quality of data collected.

## ***Contacts***

Should you meet any difficulty in filling the questionnaire, please do not hesitate to contact the researcher at [rdnajia@gmail.com](mailto:rdnajia@gmail.com)

Thank you in advance for your time and professional response to the questionnaire.

---

*Please be assured that all information received from your end will be treated with utmost confidentiality.*

## **DEMOGRAPHICS**

Please encircle the appropriate answer below:

### **1. Gender:**

- a. Male
- b. Female

### **2. Age:**

- a. 21 – 30
- b. 31 – 40
- c. 41 – 50
- d. Above 51

### **3. Level of Education:**

- a. High school
- b. Diploma
- c. Bachelor's Degree
- d. Master's Degree
- e. PhD Degree

### **4. Employment Department:**

- a. Top Management
- b. HR Department
- c. Marketing Department
- d. Procurement Department
- e. Finance & Administration Department
- f. Public Relations Department
- g. Communications Department
- h. Others: \_\_\_\_\_

### **5. Years of Experience:**

- a. Less than 1 year
- b. 1 – 5 years
- c. 6 – 10 years
- d. 11 years or more

### **6. Employment Level:**

- a. Managerial
- b. Executive Employee
- c. Other position – please specify: \_\_\_\_\_

Kindly put a tick ☒ in the appropriate box and provide elaboration wherever required.

*SA= Strongly Agree   A= Agree   N= Neutral   D= Disagree   SD= Strongly Disagree*

### **SOCIALIZATION FACTORS**

- |  | <i>SA</i>                | <i>A</i>                 | <i>N</i>                 | <i>D</i>                 | <i>SD</i>                |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. The company has clear properly communicated values to all employees.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The company encourages employee's cultural development.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Selecting the right employees helps in their quick adaptation to their new positions.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are new employees constantly made aware of transcendent company values and organizational folklore through the company socialization process? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
- Your expert comment: (please provide examples)*
- 

- |   |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 5. The company has clear vertical & horizontal communication channels (emails, staff meetings, retreats, etc).                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. HR at your company ensures that line management considers workforce issues during the business strategy formulation process. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. The company invests in HR practices that deliver valuable business results.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the HR function prepared and positioned to play an integral role in strategic partnerships?                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. At your company, different work groups reach out to help and support each other.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Is the HR function as focused on the company's external environment as is the rest of the company?                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Does your company have any roles dedicated to acquiring, mobilizing and coordinating knowledge?                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
- Your expert comment: (please provide examples of how this is done)*
- 

- |  |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 12. Does your company's culture encourage the exchange of knowledge and learning from activities and projects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

### **TRAINING PRACTICES**

- |  |                          |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 13. The HR department ensures that programs/activities link clearly and directly to specific business impacts and objectives the line functions are required to achieve. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
- Your expert comment: (please provide examples)*
- 

- |   |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 14. Do your training and development programs help in acquiring employees with new skills that assist in retaining new customers for the company? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

	<u>SA</u>	<u>A</u>	<u>N</u>	<u>D</u>	<u>SD</u>
15. HR aligns the company's workforce management systems and training programs with the company's value proposition to customers as a means to differentiate the company in an intensely competitive environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Training of employees in specific areas decrease the probability of employee turnover.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Upon recruitment, the company provides employees with specialized training.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. The company encourages external group training workshops.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. The company encourages internal group training workshops.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. The company attempts to develop the skills of its employees in modern technological practices and solutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Employee job rotation within the company helps in developing employees' skills.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Employee job rotation within the company helps in increasing the employee's overall knowledge of the company's operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. The training system at your company is in alignment with the company's overall plans and procedures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Does the training of employees increase their commitment to the company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Training is a way to bridge gaps between skills acquired during initial education and skills required at the job.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Are staff coached and trained in information and knowledge skills?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Your expert comment: (please provide examples)*

---

27. As acquired skills become outdated, training is an instrument to prevent skills obsolescence.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

*Your expert comment: (please provide examples of how your company assures the prevention of skills obsolescence)*

---

28. Training is seen as an investment that increases worker productivity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Core training programs generally improve qualifications and skills for the current occupation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Career training and retraining induce less job search than occupational updating.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Does your company convert its working experience into improved processes and services systematically?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. HR identifies core values for individual business units compatible with those of the overall company where value propositions differ substantially between units.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Does your company help its suppliers, customers, or service providers/distributors with their practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<i>SA</i>	<i>A</i>	<i>N</i>	<i>D</i>	<i>SD</i>
34. HR at your company offers extensive training to their franchise owners (i.e. their distributors/servicers).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Does the company recognize knowledge as part of its asset base?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Employees are assigned tasks that allow them to use and share knowledge of their best skills.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **HUMAN RESOURCES BEHAVIOR FACTORS**

37. HR at your company shoulders the responsibility for workforce-related issues (compensations, incentives, healthcare, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38. Training during working hours induces less job search than training during leisure time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. Careful company planning reduces employee turn-over.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. The company emphasizes internal promotions when filling vacancies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41. Filling vacancies from within the company lifts employees' morale.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42. The company uses various forms when evaluating its employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. Employees are evaluated at the end of each year only.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. It is reasonable to assume that the companies that most systematically plan with their human resources in mind will be most likely to gain a competitive advantage. Does your company implement such a strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Your expert comment: (please provide examples of gained competitive advantage)*

45. HR at your company explicitly structures its activities and investments around line units' key business objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

*Your expert comment: (please elaborate as to how that is done)*

46. Managers at your company support the actions and decisions of their employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. Employees at your company will put in extra effort to ensure their jobs get done properly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. Employees at your company can take initiative when it comes to developing new ideas/methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49. The company believes that training affects employees' behaviors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50. Does your company believe that its employees are a primary source of its competitive advantage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51. Are your employees aligned with your organization's strategy and objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52. At your company, employees are held accountable for low performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



- |  | <u>SA</u>                | <u>A</u>                 | <u>N</u>                 | <u>D</u>                 | <u>SD</u>                |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 53. At your company, employees are empowered to make meaningful decisions about how they do their jobs.                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 54. Do job descriptions and performance assessment processes acknowledge the importance of growing, sharing, and re-using knowledge? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**COMPETITIVE ADVANTAGE FACTORS**

- |   |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 55. Individuals that bring creative change in their domains are considered as a competitive-developing resource.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 56. The company is constantly gaining new customers.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 57. A vital component of any competitive strategy is getting employees to broaden their skills.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 58. The more involved and flexible workers are in contributing to product/service processes change, the more it promotes quality enhancement.                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 59. Motivated employees bring innovation, quality and cost reduction to the organization.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 60. The company is successful in retaining its customers.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 61. Better utilization and management of human resources creates company competitive advantage.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 62. Employee dedication is evident at the company.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 63. Employee satisfaction is noticeable throughout company personnel.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 64. Well socialized staff within the organization tend to stay and develop their careers with the company.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 65. Positive work relationships promote the exchange of knowledge and learning between colleagues.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 66. Low employee turnover is a valuable asset at the company.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 67. By internal recruiting, the company is rewarding employees for past performances and sending a message to others that their future hard work will payoff. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 68. Employee retention strategy leads to the promotion of effective employee communication which in turn provides employee commitment.                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 69. The more empowered employees are, the more invested they become in their work.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*Your response is greatly appreciated.  
Thank you for your time and assistance!*

## TABLES INDEX

Table 4.1.1	Output of frequency analysis of the company variable
Table 4.1.2	Output of frequency analysis of the gender variable
Table 4.1.3	Output of frequency analysis of the age variable
Table 4.1.4	Output of frequency analysis of the education variable
Table 4.1.5	Output of frequency analysis of the employment department variable
Table 4.1.6	Output of frequency analysis of the years of experience variable
Table 4.1.7	Output of frequency analysis of the employment level variable
Table 4.2.1	Simple Regression testing the relationship between Socialization and Competitive Advantage
Table 4.2.2	Means and Standard Deviation of companies according to the Socialization factor
Table 4.2.3	Scheffee between company Means according to the Socialization factor
Table 4.2.4	Simple Regression testing the relationship between Training Practices and Competitive Advantage
Table 4.2.5	Means and Standard Deviation of companies according to the Training Practices factor
Table 4.2.6	Scheffee between company Means according to the Training Practices factor
Table 4.2.7	Simple Regression testing the relationship between Human Resources Behavior and Competitive Advantage

## FIGURES INDEX

Figure 1	Thesis Structure
Figure 2	A Model of Human Resource Management as a source of Sustained Competitive Advantage
Figure 3	Hierarchy and strategic decision making
Figure 4	Environment as a mediating variable for human resource management strategies
Figure 5	Devanna et al.'s strategic human resource management "matching model"
Figure 6	Proposed relationship between SHRM aspects and competitive advantage
Figure 7	Socialization P-P Graph
Figure 8	Training Practices P-P Graph
Figure 9	Human Resources Behavior P-P Graph