



ACHIEVING ORGANISATIONAL COMPETITIVENESS: UNPACKING STRATEGIC HUMAN RESOURCE MANAGEMENT IN A SOUTH AFRICAN STATE-OWNED ENTERPRISE

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Abstract: *This paper discusses the experience of human resource professionals in creating organisational competitiveness through strategic human resource management in a South African State-Owned Enterprise. Utilising Arvid Muzanenhamo's 2021 Doctoral thesis, a study which made use of qualitative approach based on main theories viz Dave Ulrich model of competitiveness and Resource Based View (BRV) to analyse the strategic role of human resource management. Findings highlight the organisation's effort and overwhelming desire of human resource professionals to shift HRM to business partnering role but thwarted by various internal and external forces. The study proposed a framework for achieving organisational competitiveness through strategic HRM in a State-Owned Enterprise. The study significantly contributes to literature on Strategic Human Resource Management and Competitive advantage in South African State-Owned Enterprises. Furthermore, recommendations for organisational change through policy reviews, cultural and structural transformation were provided.*

Keywords: *Strategic Human Resource Management, Competitive Advantage, State-Owned Enterprises, South Africa*

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INTRODUCTION

State Owned Enterprises (SOEs) in contemporary South Africa have become a subject of concern as they drew criticism around the country due to poor performance leading to financial losses caused by various factors. This includes sporadic practice of Strategic HRM which result in human resource challenges such as labour turnover, lack of skills, technological inertia, and employee motivation. Strategic human resource management assumes that human resource management activities should be integrated with organisational strategic objectives and organisational context for competitive advantage (Muzanenhamo, 2021).



This study stems from a doctoral research by Arvid Muzanenhamo, which examines these dynamics in a South African State-Owned Enterprise. This case study revealed the implications of Strategic HRM concept in achieving competitiveness in a public sector organisation (Muzanenhamo, 2021).

This important study taps into the insights from five research papers published between 2021 and 2023, stemming from a PhD thesis of the researcher. The research papers are as follows, *Challenges facing HRM practitioners in achieving organisational effectiveness in South African state-owned enterprises* (2021), *Assessing the effectiveness of Human Resource Management in creating organisational competitiveness in a South African state-owned enterprise* (2021), *Towards achieving organisational competitiveness: the role of human resource management in state-owned enterprises* (2021), *Organizational benefits of human resource management roles in South African state-owned enterprises* (2022), and *Human Resource Management Perspective on Management of Change in State-Owned Enterprises* (2023).

The scholarly contributions by Muzanenhamo, Dlamini and Zogli reveals the strategic challenges faced by human resource professional in achieving organisational competitiveness. Using qualitative studies and analyses of literature between 2021 and 2023, their work strongly illuminates the experiences of human resource professionals in a South Africa State-Owned Enterprise (Dlamini et al, 2021a, 2021b, Muzanenhamo, 2021, Muzanenhamo et al, 2021, Muzanenhamo & Dlamini, 2022, Muzanenhamo, 2023).

THEORETICAL FRAMEWORK

In terms of theoretical perspective, the research is anchored in two main theories of competitive advantage namely, Model of competitive advantage and Resource Based View (RBV). The Model of Competitive Advantage emphasised that to create value and deliver results, human resource professionals should not start by focusing on their activities or work of human resources but should first define the deliverables of their work (Ulrich 1997). This model assists Human Resource Management practitioners in becoming strategic business partners in the organisation thereby ensuring that the market share together with revenues are increased and ultimately improving competitiveness (Nel, et al 2014).

Resource Based View explains that a firm creates a competitive advantage when it is implementing a value-creating strategy that is not concurrently implemented by a competitor as well as the benefits of the strategy not being duplicate. Thus, companies within an industry may be heterogeneous with respect to the strategic resources they control, and these resources may not be perfectly mobile across the industry. If not so, companies would only achieve competitive advantage for a short period of time (Grobler et al 2012).

These theories provide a comprehensive lens through which the study examines the deliverables and resources that human resource professional look into for organisational competitiveness.

METHODOLOGY

A qualitative approach was adopted across five interrelated research articles. The study engaged human resource professionals in a selected State-Owned Enterprise in South Africa. Data was collected using semi-structured interviews. This methodology is a descriptive research that is



focused on observing and describing events as they occur, with the goal of capturing all of the richness of everyday behaviour and with the hope of discovering and understanding phenomena that might have been missed if only more cursory examinations had been used (Denzin & Lincoln 2003).

ORGANISATIONAL CONTEXT

The State-Owned Enterprise has introduced a number of considerable aspects that can improve employee satisfaction for competitive advantage:

Red Couch Programme: An engagement channel where employees get the chance to meet the company executives to get clarity on internal operations and ask questions.

Internal clinic facility: Availability of a staff company clinic ensures that employees are fit physically and emotionally.

These initiatives reflect the company's commitment to clarify on-going company plans and promote employee wellness. However, the study reveals that to achieve greater success and competitive advantage in a State-Owned Enterprise, involvement of human resource professionals in strategic decisions as custodians of people management is necessary.

FINDINGS AND DISCUSSION

The research findings by Arvid Muzanenhamo revealed the importance of strategic human resource management concept to achieving organisational competitiveness. While many human resource professionals acknowledge the existence of top management initiative in fostering competitiveness through strategic HRM concept, they reported little progress which tends to affect employee motivation.

Key challenges identified include:

No business partnering role: Human Resource Professionals are not included in major strategic decisions of the company.

Technological inertia: The organisation is not on par with other organisations when it comes to HRM technology as it remains manual and paper-based.

Outdated Policies: Policies do not consider the latest trends which can speed up processes in human resources department.

Labour turnover: High staff turnover affecting productivity due to prolonged recruitment processes.

Despite the above challenges, some participants shared positive experiences such as educational support and employee wellness schemes (Dlamini et al, 2021a, 2021b, Muzanenhamo, 2021, Muzanenhamo et al, 2021, Muzanenhamo & Dlamini, 2022, Muzanenhamo, 2023). Figure 1 depicts a condensed version of the resulting framework from the study by Muzanenhamo (2021).

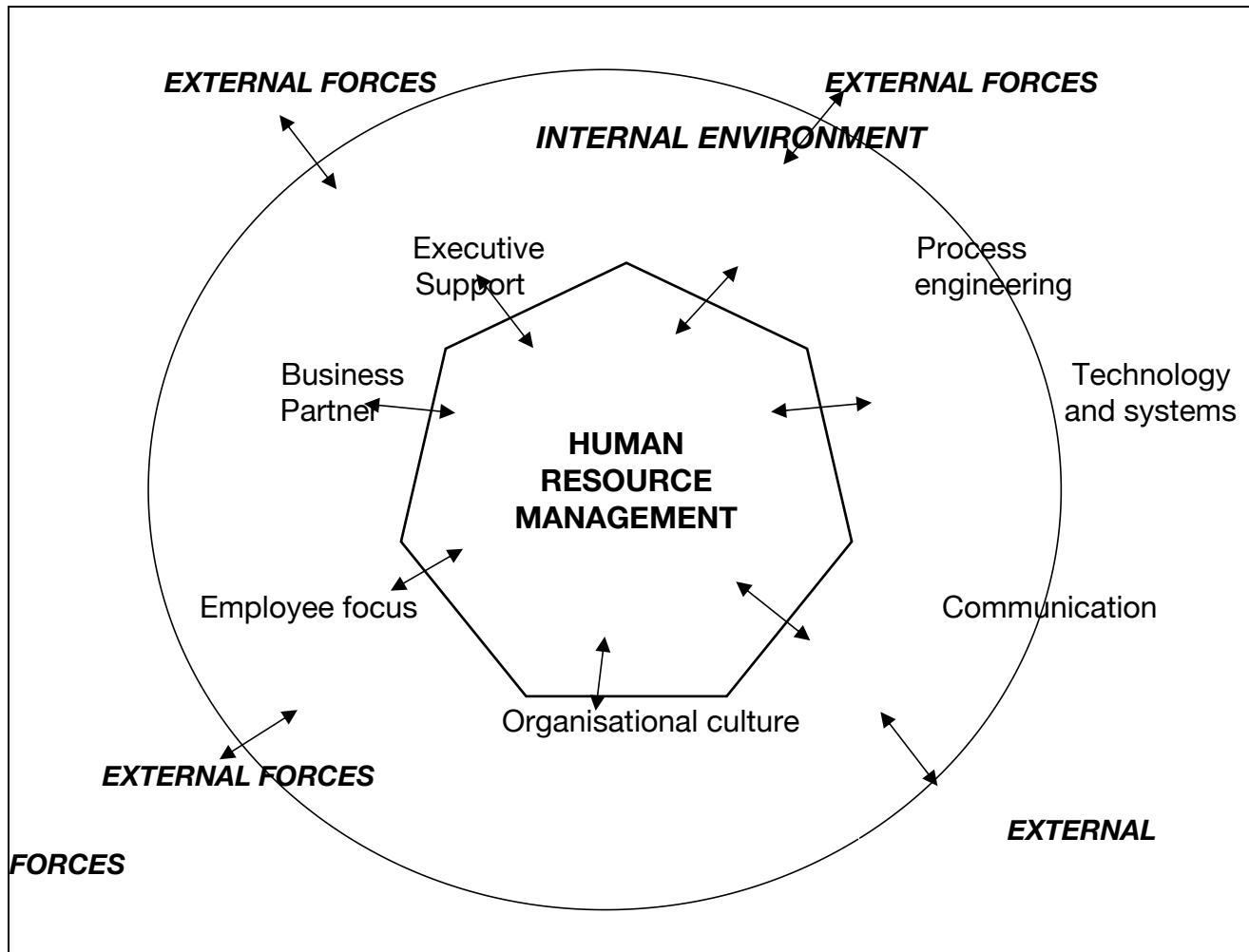


Figure 1: A condensed version of the resulting framework from Muzanenhamo (2021)'s PhD thesis.

HRM FRAMEWORK FOR COMPETITIVE ADVANTAGE

The study introduced the HRM Framework for Competitive Advantage, which is an original contribution that integrates theoretical and practical insights. The framework was designed to:

- To assess the Human Resource Management roles that provide organisational competitiveness in a state-owned enterprise.
- To examine the challenges faced by Human Resource Management practitioners in obtaining organisational competitiveness in a state-owned enterprise.
- Guide policy review in line with the evolvement of human resource management and the environmental changes.



Through operationalising concepts from the Model of Competitive Advantage and Resource Based View, the framework served as a practical tool for human resource professionals and company executives seeking to improve organisational competitiveness through human resource management. (Dlamini et al, 2021a, 2021b, Muzanenhamo, 2021, Muzanenhamo et al, 2021, Muzanenhamo & Dlamini, 2022, Muzanenhamo, 2023).

PRACTICAL IMPLICATIONS

This research by Arvid Muzanenhamo holds significant implications for State-Owned Enterprises that aim to create competitiveness:

- Business partner: The company’s Human Resources Department should play an active business partnering role to effectively achieve organisational competitiveness.
- HRM digitisation: Technological aspects such as electronic HRM or Artificial Intelligence should be implemented.
- Policy review: State-Owned Enterprises should actively review policies to suit the current business environment.
- Culture change: Desist from heavily relying on political decisions and provide managerial autonomy to the custodians of people management (Dlamini et al, 2021a, 2021b, Muzanenhamo, 2021, Muzanenhamo et al, 2021, Muzanenhamo & Dlamini, 2022, Muzanenhamo, 2023).

CONCLUSION

The experiences of human resource professionals in a State-Owned Enterprise provides the implications and challenges of strategic HRM implementation for competitive advantage. The organisation has made some effort to recognise the importance of human resource management through resource provision and training but more needs to be done in responding to the new demands of the business environment for competitive advantage. The HRM Framework for Competitive advantage has provided the essential elements that seek to improve organisational productivity and employee satisfaction.



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