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**1994 HUMAN RESOURCE'S MANAGEMENT STRATEGIC PLAN OF THE SOUTH AFRICAN
DEPARTMENT OF LABOUR**

By

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I hereby declare that **THIS DISSERTATION** is my own work and has not previously been submitted or incorporated in another dissertation or thesis for any other degree.

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

It is commonly accepted that human Resource is the one resource in an organisation that reacts when acted upon [Dyer et al, 1988:8]. This means that with the exception of Human Resources, all resources of an organisation are static. Other resources derive their dynamic character from Human Resources.

In the South African context, the need for efficient and effective management and utilisation of Human Resources cannot be overemphasised. South Africa has a shortage of skilled and Professional Human Resources, and its labour market is characterised by an imbalance between skilled and unskilled Human Resources. In 1996 South Africa was rated last out of 46 countries in this regard [Gerber et al, 1987:3]. Some commentators argue that the shortage of skills causes South Africa a low productivity ratio that inhibits natural growth in employment opportunities [Foulkes et al, 1989:18].

Indeed Human Resource Management interventions on both a national and organisational level can, if effectively managed, change this situation to a large extent. Hence, a new South Africa requires a highly skilled, motivated, and satisfied worker corps that is free of discrimination based on race, sex or religious divides [Holley, 1987:138].

Given South Africa's adverse productivity conditions, it is imperative that a new approach to Human Resource Management be identified and implemented with the intention of improving productivity.

Thus the Department of Labour realised in 1994 the need to implement Human Resource Management Strategic Plan that was aimed at improving the official's productivity. The Strategic Plan took the following into consideration; long term and short term plan, identification of objectives and attaching responsibility to the individual people.

This study's concern is to investigate as to how the Strategic Human Resource Management Plan introduced by the Department of Labour during 1994 affected productivity in the Department.

1.2 AWARENESS OF THE PROBLEM

The Department of Labour has since 1994 introduced Strategic Human Resource Management Planning. This was introduced immediately after the restructuring of the whole Department, which included the amalgamation of all the homelands government Departments. This exercise was not an easy one. When amalgamating all the departments, it implied that the Department of Labour had to come up with new structures, new policies, new corporate culture and new infrastructures for the new Department of Labour.

Since the implementation of the strategic plan in 1994, the researcher observed so many things. New policies were put into place, new strategies were also put into place, vision, mission and objectives of the Department were displayed everywhere within the Department. The researcher also observed top management being highly engaged in driving this process. Staff members were also seen to be highly committed with their work.

The researcher then wondered whether the Strategic Plan introduced within this Department is beneficial to the enhancement of productivity within the Department of Labour.

Are there no problems experienced with regard to the introduction of the Strategic Plan? What is the quality of the Plan? Seeing that Strategic Human Resource Management is a vital instrument for the success of any organisation, the researcher would like to find out whether the Strategic Human Resource Management introduced by the Department of Labour yielded any results or not.

1.3 STATEMENT OF THE PROBLEM

The main problem, which this study seeks to investigate, can be summarised as follows:- How has Strategic Human Resource Management affected productivity in the Department of Labour.

1.4 AIM OF THE STUDY

The main aim of the study is to examine how the strategic Human Resource Management has affected productivity in the Department of Labour.

This examination will amongst others, include the following aims:

1.4.1 To determine the effect of Strategic Human Resource Management within the Department of Labour.

1.4.2 To determine whether it is necessary to introduce Strategic Human Resource Management within the Department of Labour.

1.4.3 To determine the principles that can guide the process of implementing Strategic Human Resource Management Planning.

1.4.4 To determine whether top management have important role to play with regard to Strategic Human Resource Management.

1.5 SIGNIFICANCE OF THE STUDY

Strategic Human Resource Management plays a significant role in the process of achieving productivity within any organisation. Appropriate programs should be put in place to ensure the success of Strategic Plan. This is the vision for Human Resource Management of the Department of Labour. In order that this vision be realised, Strategic Plan must be strengthened and have programmes that support the Plan.

The present study will throw light on the need for proper Human Resource Management which will help in enhancing performance management.

The methodology of this study is two-fold. Firstly there is a review of literature and then the empirical research.

1.6 DEFINING TERMINOLOGY

1.6.1 Strategic Human Resource Management

The Strategic Human Resource Management [Alan Nankervis and Compton, 1994:58] states that Strategic Human Resource Management include a managerial focus, the perception of employees as organisational resources, the integration of all

Human Resources functions with each other and towards organisational goals and a long-term planning orientation.

1.6.2 Human Resource

[Schuler and Jackson, 1981:31] comments that Human Resources is the art of managing people.

1.7 THE PLAN OF STUDY

Chapter 1. Introduction and problem statement

Chapter one focuses on introduction and background of the research problem. The problem is formulated and the aims and significance of the study are stated.

Chapter 2

The focus in Chapter two was to review the relevant literature on Strategic Human Resource Management. The chapter also tried to detail the different Strategic Human Resource Management approaches. The chapter is concluded with discussion on the role of Strategic Human Resource Management in developing organisations.

Chapter 3

Chapter three examines the situation that prompted implementation of Strategic Human Resource Management within the Department of Labour. The History and organisational structure of the Department of Labour is also discussed.

Chapter 4: Method of investigation

Chapter four deals with the research design and implementation phases of the research. The different data gathering procedures were also discussed.

Chapter 5: Results and Discussion

This chapter provide results of each question in the questionnaire in the form of a response as well as a discussion section which provides detailed feedback of the respondent's answers to each of the questions.

Chapter 6: Conclusions and Recommendations

The chapter consists of a synopsis of the entire research project as well as providing conclusions and recommendations which are directly related to the results of the study.

1.9 CONCLUSION

The results of this research should point out the strengths and weaknesses of Strategic Human Resource Management planning within the Department of Labour.

The results of the study could be of great significance to the Department of Labour nationally and provincially as well as other Government departments in improving service delivery.

CHAPTER 2

LITERATURE REVIEW ON STRATEGIC HUMAN RESOURCE MANAGEMENT

2.1 INTRODUCTION

Management of Human Resource has now a day become part of the transformation process in employment in most organisations. The challenges facing the year 2000 are increasingly being faced with complex, dynamic and changing business environments. In order to sustain any form of competitive advantage, these organisations will not only need to implement innovative strategies but also adopt radically and significantly different organizational designs and work processes to the ones that currently exist.

Within this context, it becomes evident that production processes, the way people are managed as well as traditional structures and modes of operation need to be re-looked and redesigned to assist in the development of a competitive enterprise. The objective being to show dramatic improvements in performance, productivity, profitability and the ability to satisfy the requirements of internal and external customers.

As far as Human Resource Management is concerned, Strategic Human Resource Management was considered to be the new approach to Human Resource Management in order to cope with a future that is not always like the past. In order to understand Strategic Human Resource Management, the process, according to Pearce and Robinson (1991) includes the following:-

Establishing the Mission of the enterprise, broad explanations of its intentions, internal circumstances and skills, internal and external environment, long-term objectives and grand strategies required to achieve the desired options.

In this chapter the following will be reviewed:-

- Establishing the Mission of the enterprise.
- Setting the objectives.
- Strategy formulation and implementation.
- Environmental analysis.
- The impact of Corporate Culture.
- Role of top management.
- Strategic Human Resource Management and its role in developing organisations.

2.2 ESTABLISHING THE MISSION OF THE ENTERPRISE

Each organisation or project must have a reason for being, and a purpose for its existence. This is confirmed by Certo and Peter (1988) when they mentioned that "a mission statement is the purpose for the organisation's existence. It is a point of departure for the more specific organisation objectives".

Steiner (1983) shares the same view as Certo and Peter, when he mentions that the Mission statement is the starting point in the process of strategy formulation.

For planning to take place, a thorough analysis needs to be determined first. This is confirmed by both Stonich (1982) and Gerber, et-al (1987) when they maintain that the Mission statement provides the focus for the rest of the planning process. Once the Mission statement has been determined, objectives need to be established as a way of coming up with plans for reaching the goals. Mission represents a general plan of how the organisation aims to achieve its objectives. Gerber, et-al (1987)

2.3 SETTING THE OBJECTIVES

It is a target that the organisation is attempting to reach. Objectives provide the foundation for planning. They are guides in decision making and increasing organisational efficiency, Certo & Peter (1988). Objectives can be regarded as the measurable outcomes or steps you plan in order to reach your goals. Mullins (1994) confirm that objectives are end result that the organisation wants to achieve.

2.4 STRATEGY FORMULATION

The success of a company will depend largely upon how well it formulates strategy in the light of the evolving environment, how well it defines and articulates strategy, and how well it assures its implementation, Steiner & Miner (1982).

Strategies answer questions, to how objectives will be achieved. It does not matter how much the company has a good plan in place, if the strategy to be implemented is not right, the objectives of the plan will not be achieved.

Steiner & Miner (1982) confirmed that without a strategy the organisation is like a ship without a rudder, going around in circles, it's like a tramp, it has no place to go.

The success of a strategy will also depend on the approach from both management and staff. Strategy preparation involves all the concerned staff. This facilitates the process of brainstorming the strengths and weaknesses of the organisation. (Internal issues), followed by opportunities and threats (External issues), for the purpose of coming up with the developmental of the plan.

2.4.1 Different levels of a Human Resource Management strategy as observed by Tichy (1982)

Operational level

At the operational level the various enterprise functions are involved in performing day-to-day tasks namely, the continuation of the production process.

Human Resource activities at operational level are again involved in seeing to it that employees possess the necessary skills to do their jobs, that they report to work daily, that they perform and are promoted and compensated.

At an operational level care should be taken that the day-to-day tasks of the enterprise are integrated with the Human Resource systems that have been designed to facilitate this process and to let them function efficiently.

Management level

At management level the strategic direction of the enterprise is an umbrella for the enterprise functions. The focus here is on obtaining resources necessary for implementing the strategic plans and develop the processes for measuring and monitoring the success achieved. Human Resource activities at management level are involved in the development of efficient Human Resource systems for the recruitment, selection, performance appraisal, compensation and development of Human Resources to achieve the strategic objectives. At management level consultation on matters such as the following are of cardinal importance:

- Does external recruitment take place to develop the necessary Human Resources that will be required in the medium term?
- What is done to satisfy the needs of the internal market for Human Resources services?

Strategic level

At the general strategic level the various enterprise functions are involved in establishing the business/es in which the enterprise is or should be, the choice and revision of objectives, the identification of important priorities, the establishment of important programmes and the development of policy to achieve them. Human Resource Management at strategic level entails the formulation of applicable Human Resource strategies to contribute to the ultimate success of the business /es in the long term and includes, *inter alia*, the formulation of policy and programmes for the long-term development of

Human Resources for future business/es; the establishment of the culture in which the business objectives can be achieved and deciding on applicable strategies concerning industrial relations. Liaison at strategic level comprises dialogue about the future plans of the enterprise and the full spectrum of Human Resources implications and possibilities. Here an evaluation of alternative choices occurs and the success of the enterprise or business in total is the ultimate criterion. This can be regarded as the art of top-level Human Resource Management.

An important point not to be overlooked is that in designing various Human Resources systems, the overall organisational culture must be taken into account. In this regard Tichy (1982: 75) remarks: If the corporate culture involves treating its employees as members of a family, then job security should be a key reward for performance. Such a value should be reflected in all of the Human Resources systems; it should be stressed as a recruitment criterion, tied to compensations, and built in as an assumption of development programs.

Examples of elements that could play a role here are the following (Fombrun et al 1984: 40 - 41):

The nature of the employment contract

Two types of agreements can be concluded with employees, namely a purely extrinsic "quid pro quo" agreement with "a fair day's work for a fair day's pay" or an intrinsic agreement with "challenging,

interesting and meaningful work in return for a loyal, committed and self-motivated employee" as points of departure.

Internal versus external labour markets

Enterprises also differ as regards internal promotions versus external recruitment from the labour market. Whatever the position may be, it influences the context in which the Human Resources systems develop and are implemented. In an enterprise with a strong internal development strategy the emphasis will be on the development component as a strong Human Resources aid. On the other side of the spectrum one would find a strong recruitment function and a poor development function.

Group versus individual performance

Human Resources systems can be organised according to collective group-based performance or individual performance or a combination of the two.

When the emphasis falls on group performance, selection must also take social adaptability into consideration, the appraisal system must be group-based and compensation must serve as an incentive for the work group. Technology may also dictate which approach is to be followed.

Strategic choices (top-level decisions) regarding organisational culture are equally important when a Human Resources strategy is formulated because they form the "lubricant" in the eventual implementation of a Human Resources strategy.

2.5 STRATEGY IMPLEMENTATION

It is a well-known fact that after Strategic Planning is complete, implementation should take place, that is getting people to do the right things to make strategies happen. According to Fombrun (1984), during this process, "The Human Resource tools become central and focus specifically on selecting the right people to run a business, rewarding them for strategic activities, and designing staffing patterns that match the strategic plans, as well as creating more strategically motivated development and labour relations policies. To this end, the Human Resource systems will need to become more flexible so that they can be aligned to drive strategy". Research and practice have indicated that matching Manager Characteristics (Gupta & Govindarajan, 1984), reward systems (Lawler, 1984, Kerr, 1985) and development programs with strategies increases the probability that strategy will happen. This statement confirms that Management play a vital role in this process.

Management should support the interventions, strategy application programs as well as be well informed and positive with respect to strategy application objectives. Evaluating the strategy application process is essential to identify shortfalls and take corrective action where necessary. The purpose of this study is to analyse the views of management on the strategy application process. Schuler,

The process of integration as indicated on the above shown organisational establishment, created major challenges within the management of the Department. There was a need for the Department to set policies, objectives and strategies to run this huge Department. This is confirmed by the Policy Document of the Department of Labour (1994) which stated that, "over the past year since 1994 to date, the Department of Labour has been going through a turbulent process of change because of the following:-

- Amalgamation of the former administrations;
- The displacement of staff;
- Shortages of key skills; and
- General concerns among staff about their personal futures.

These factors have created high levels of stress and uncertainty amongst staff. In turn, several factors have created a "pressure cooker effect" amongst management:

- The demanding policy agenda;
- Middle management vacuum; and
- Organisational disruption.

All this, however, contributed to an inevitable consequence of fundamental change within the Department of Labour.

Youngblood and Huber (1988) recommends that the following five components be followed in guiding organisations, the successful implementation of a Strategic Human Resource Management strategy.

- Encompass a large variety of Human Resource Activities.
- Remain simple.
- Identify specific Human Resource Activities that may be used to accomplish strategies.
- Rely on Business Rationale and language.
- Raise more questions.

2.5.1 Encompass a large variety of Human Resource Activities

Generally, when companies work on Human Resource plan, the energy focuses on one aspect of Human Resources such as career, development or succession at the exclusion of others. This tendency may limit Human Resource Management's contribution to competitive advantage. Strategic Human Resource plans include a wider array of Human Resource activities. Specifically, six Human Resource systems (activity areas) may be identified, each of which merits inclusion in building a Strategic Human Resource plan that leads to a competitive advantage. These systems include organisational Human Resource Management planning, staffing, compensating, appraising, developing and communicating.

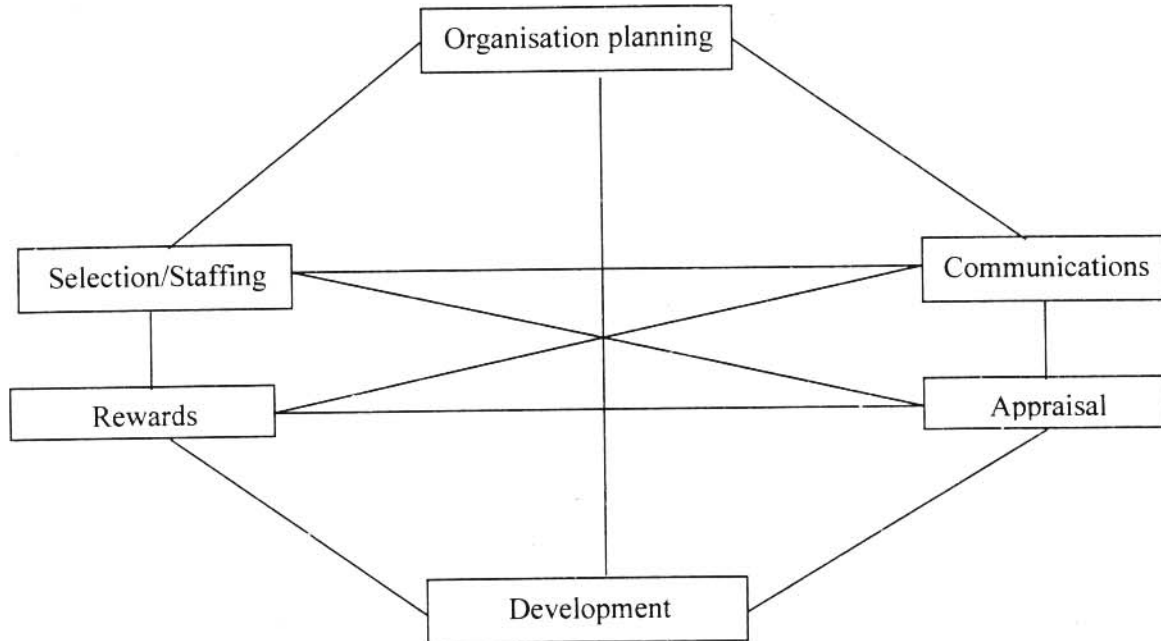
2.5.2 Remain simple

Strategic Human Resource Management plans become more effective when they synthesize the complex Human Resource Management issues reviewed above into relatively simple action plans. Prioritise the key issues that must be managed and ensure that those priority issues are resolved using simple language in order to encourage application. When the content of Strategic Human Resource plans remains simple, plans are more likely to be used.

2.5.3 Identify specific Human Resource Management Activities that may be used to accomplish strategies

Strategic Human Resource plans offer decision-makers menus of Human Resource Management practices and information on the implications of those choices, Schuler (1986). The more specific the practices in a Human Resource Management plan and the more tightly the linkage between Human Resource Management practices and strategies, the more likely the Human Resource Management practices will be implemented. The systems and choices reviewed, identify specific Human Resource Management practices that might be implemented to accomplish a particular strategy.

SUBSETS OF HUMAN RESOURCE MANAGEMENT ACTIVITIES



Based on work by Tichy, Tombrun and Devanna (1982) and Tsui and Milkovich (1985).

2.5.4 Rely on Business Rationale and Language

Strategic Human Resource Management plans justify Human Resource Management practices based on business logic, generally financial data. Costs of adding, maybe delivering a training program may be identified and calculated. By relying on business logic and quantifying Human Resource Management costs, Human Resource Management plans become meaningful for operations managers.

2.5.5 Raise more questions

Strategic Human Resource Management plans depend heavily on discussions of important questions. Ensuring that the right questions are posed and discussed may allow answers to be generated that build competitive advantage. Emphasis on questions rather than answers maintains the flexibility necessary for building a competitive advantage through Human Resource Management plans.

2.6 ENVIRONMENTAL ANALYSIS

Strategic Human Resource Management cannot take place in a vacuum. Management should take into account what is going on in the world around the company that will either help or hinder the strategic planning. Meschaulam (1984) has this to say in the above regard.

The relation, importance and complexity of the organisation and its external environment are very basic and critical elements in all organisational management. Environmental changes threaten the organisation and are its main source of risks. At the same time these changes provide the organisation's competent with the opportunities and risks created by the environmental changes. This match between the organisation's resources, skills and processes, and the environment is the essence of all business.

For the company to remain effective, management should continuously scan their environments so as to be aware of the requirements of their organisation and to distinctly ascertain the preferences of their customers.

This is confirmed by Pearce & Robinson (1985) when they stated, "simultaneous assessment of the external environment and company profile enables a firm to identify a range of possibly attractive interactive opportunities". Steiner & Miner (1982) calls the process "a situation audit".

2.7 THE IMPACT OF CORPORATE CULTURE

Corporate culture matters and the right culture can lead to better performance. The significance of this to Human Resource Management is that culture is clearly to do with people and is formed by things that the Human Resource function can influence. Recognizing this, Tombrun (1983) introduced culture in the form of a "dominant value" as an output variable into the model of the Human Resource cycle.

Studies undertaken by Ouchi (1981), Pascale and Athos (1981), Peters and Waterman (1982), and Deal Kennedy (1982) all argue that the key to success is a "strong" culture – one where all employees share the same view of the company.

2.8 ROLE OF TOP MANAGEMENT

As mentioned in the previous paragraphs, if organizations wish to become competitive they will be required to adopt to changing environments. Coupled with the change process is the need for management to become part and parcel of this process. Management play a vital role in this process as they should support the interventions, Human Resource Management training programs as well as be well informed and positive with respect to Strategic Human Resource Management.

Evaluating the Strategic Human Resource Management process is essential to identifying shortfalls and take corrective action where necessary.

This is confirmed by Pearce and Robinson (1985) when they said that the top manager is the catalyst in Strategic Management – he is a symbol of the new strategy. The perceived seriousness of his commitment to a chosen strategy, particularly if the strategy represents a major change, exerts a significant influence on the intensity of subordinate manager's commitment to implementation.

Peters and Waterman (1982) confirm this by saying the "one individual is not enough to implement a new strategy -- it is the team at the top that is crucial". A major concern of the executive should, therefore, be to ensure that the right managers are in the right positions for the new strategy.

It revolves around the question of whether or not holders of current positions which are critical to strategy execution, have the right characteristics to ensure that the strategy will be effectively implemented.

The purpose of this study is to analyse the role of management on the Strategic Human Resource Management. Rothwell and Kazanas (1988:44) recommend a model which consists of eight steps, that must be played by a top-level Human Resource Manager.

Step 1

- Linking the mission, objectives and goals of the Human Resource Management function or Human Resource Strategy to the overall strategy of the organisation.

In order to successfully link the Human Resource strategies to the organisational strategy, managers need to determine as to, how the organisational strategy is formulated;

Must determine how much attention is being given to Human Resources;

Must decide how much attention ought to be given to Human Resources;

Must bridge the gap between Human Resources and organisational plans.

Step 2

This step involves an evaluation of the current state of Human Resources in the organisation.

According to Rothwell and Kazanas, three aspects of the organisation are analysed:

- The work
- The labour force

- The Human Resources department

As far as the work is concerned, two aspects are of great importance: determining what the employees are currently doing; and determining what they ought to be doing. As far as the labour force is concerned, Rothwell and Kazanas (1988:85) are of the opinion that there are also two important aspects: determining what type of employees are currently carrying out the work; and determining what type of employees ought to be carrying out the work.

As far as the Human Resource department is concerned, this analysis must determine the department's current strengths and weaknesses. The results are then compared with forecasts on conditions within and outside the organisation.

Step 3

The third step concerns exploring the environment in order to determine as to:-

- How the work will change over a period of time;
- How the labour force will have to change over a period of time to adapt to the change in the work;
- How the Human Resource department will be influenced over a period by changes within and outside the organisation.

Step 4

Rothwell and Kazanas (1988:166) maintain that it is equally important to estimate the number of jobs and employees required in future. The Human Resource planner should:-

- Place the employees in clearly definable categories;
- Place the jobs in clearly definable categories;
- Determine the relation between output and number of employees;
- Analysing current Human Resource needs and making a projection of future Human Resource needs.

Step 5

This step involves the selection of a Human Resource Strategy which indicate the direction that the Human Resource department in the long term to support organisational objectives and strategy.

Step 6

This step involves turning the overall Human Resource Strategy into a plan of action. According to Rothwell and Kazanas (1988:223), this step is known as Human Resource Integration.

The activities of the Human Resource department (recruitment, selection, training, handling of industrial relations, etc) must be co-ordinated in such a way that they support the overall Human Resource Strategy and that both employees and work change over a period of time so that the right people are available in the right place at the right time to support organisational plans.

Step 7

Kazanas (1988:390-408) maintains that successful management involves the following:-

- Setting objectives for the Human Resource department;
- Developing a structure for the department;
- Obtaining staff for the department.

Step 8

Kazanas (1988:419) are of the opinion that evaluation must take place in three stages:-

- Before implementation of the plans;
- During implementation of the plans;
- After implementation of the plans.

2.9 STRATEGIC HUMAN RESOURCE MANAGEMENT AND ITS ROLE IN DEVELOPING ORGANISATIONS

The purpose of this study is to try and explore the role played by Strategic Human Resource Management in developing organisations. This is essential if we are to understand the manipulations necessary for each of the content areas to make a contribution to the strategic effectiveness of the organisation.

In a fast-paced global economy, change is the norm. This process of change is merely a competitive survival mechanism brought about by the necessity of organisations to remain competitive in order to survive into the twenty-first century. This view is shared by Michael, Norbert and Robert (1995) when they maintain that, "environmental, social and technological change, the increased internationalisation of business, and the increased scarcity and cost of Human Resource, can only mean that long-term planning is risky but absolutely essential".

He also indicates how organizations make decisions about their future in this complex, rapidly changing world? So Strategic Human Resource Management is the answer. In order to achieve the required level of global competitiveness a new approach to Human Resource Management is required so as to adapt rapidly to business demands and changing technologies.

George (1985) states: "Over the past fifty years or so, personnel work has come to be considered largely a matter of maintenance: tasks that have to be done but that have little impact. Certainly it is not usually viewed as central to handling one of the most important investments a company can make its investment in human capital".

This idea of better management in Human Resource as a contributing factor towards achieving success, was also confirmed by Tombrun (1984) when he stated that "human capital has been considered as an under utilised resource".

In order to develop organisations, certain strategic characteristics need to be taken into consideration. Ackermann (1989) comments as follows:-

- The fulfilment of strategic tasks like strategic manpower planning, selection, appraisal, development and rewards - dependent on given corporate or business strategies in addition to operative and managerial tasks in all highly interrelated functions of Human Resource Management.
- In order to have a better understanding of these process, each and every Human Resource Management task as mentioned above is going to be explored.

2.9.1 Strategic Human Resource planning

Eric Vetter (1967) states that, the Human Resource planning process is the means:

- By which management determines how the organisation should move from its current "manpower" position.

Through planning, management strives to have the right number and the right kinds of people, at the right place, at the right times, doing things which result in both the organisation and the individual receiving long term benefits.

Problems facing most of the institutions today is that of handling Human Resource Management issues, away from the whole business planning processes. It is necessary to get Human Resource Management feedback in advance of strategy formulation so that implementation issues can be considered before the completion of the formulation process. (Tichy, Fombrun and Bevan -1982).

The suggestion is clearly being made that Human Resource Management should have an impact on both the content of the strategy formulated as well as on the management philosophy of the firm in general.

Under this approach, the Human Resource Management linkage is more fully extended and developed than in the accommodation approach. This is confirmed by Schuler, et-al (1988) when he mention that; "First, a competent strategic planning group must be linked to the Human Resource Management group at all stages of the strategic management process: Second, the Human Resource Management group must share information on the people needs of the firm at each stage of the analysis to insure that relevant Human Resource Management considerations are addressed. Lastly, Human Resource Management managers must make sure that a highly motivated work force exists and is supporting the strategic thrust of the firm.

2.9.2 Strategic staffing

For the success of any company, staffing would also require a strategic approach where-by all the companies strategy requirements are also taken into consideration when appointments are made.

Phillips and Kennedy (1980) mention that for a strategic staffing to take place, "the match between culture and Human Resource Management policies determines how things get done and how successful companies guide and shape their company's culture to fit their strategy".

Gerber, Nel and Van Dyk (1998) describe selection, "as a process which involves the choice, from a pool of candidates, of the most suitable candidate who, according to the judgement of the selection panel, best meets the given job requirements".

The same principles also apply to the appointment of new employees in entry jobs that is to transfers and the promotion of candidates to higher posts. Selection is defined by Livy (1998) as: "a process of job matching, and must begin with a description of the jobs to be done and the identification of personal qualities necessary for the field of candidates by progressively eliminating those who do not measure up to the specifications".

2.9.3 Performance appraisal

Once people are in jobs and perform, they should however be rewarded for good performance and they should also be developed to improve performance. Performance appraisal can evaluate the behaviour of employees, and the results that employees have met the job requirements or a combination of these.

Graham and Bennet (1993) explain that:-

The principle can:-

- Help a manager to decide what increases of pay shall be given on grounds of merit;
- To determine the future use of an employee, e.g. whether the employee shall remain in his or her present job or be transferred, promoted, demoted or dismissed.
- To indicate training needs, i.e. areas of performance where improvements would occur if appropriate training could be given.
- To motivate the employee to do better in his or her present job by giving the worker knowledge of results, recognition of merits and the opportunity to discuss work with his or her manager.

2.9.4 Strategic Career Management

This involves having a Human Resource planning system that makes accurate forecasts. This should include both an assessment of current individual performance and future protection of these individuals. Schuler, et-al, (1988) confirm this by saying that, "one way to support a strategic thrust that requires the development of young employees would be to offer early retirement to older employees or free outplacement services and time off for job hunting for dead-end employees and managers".

2.9.5 Strategic Labour Relations

Historically, one could argue that strategic labour relations involved no more than competent negotiating. However, that is no longer the case. We have recently seen how changes in government regulations, technology, and the increased internationalisation of competition can dramatically change the requirements for success within an industry. In these cases, industrial relations become just as important as other Human Resource Management functions and should be tied to company goals Ferris and Murtin (1985).

This suggests that union-represented employees be involved as early as possible since their co-operation is vital to the success of the firm's strategy. Mutual understanding between both parties is vital for the success of any company strategy.

2.10 Summary

This chapter has attempted to show the necessity of a shift from the traditional Human Resource Management to new approaches which are competitive and challenging. Strategic Human Resource Management is considered to be the new approach to Human Resource Management.

The chapter has also highlighted the importance of applying this approach in a given programme. The chapter also tried to detail the different strategic approaches which include establishing the Mission statement of a programme, setting the objectives, strategy formulation and implementation, environmental analysis, the impact of corporate culture, the role of top management and also the role of Strategic Human Resource Management.

CHAPTER 3

THE SITUATION THAT PROMPTED IMPLEMENTATION OF STRATEGIC HUMAN RESOURCE MANAGEMENT WITHIN THE DEPARTMENT OF LABOUR

3.1 INTRODUCTION

Having considered the shift from traditional Human Resource Management to strategic approaches, and also the application of different strategic approaches in Human Resource Management, like establishing the mission statement of a programme, setting objectives, strategy formulation and implementation, environmental analysis, the impact of corporate culture, the role of top management and the role of Strategic Human Resource Management, it is important to focus on the situation that prompted implementation of Strategic Human Resource Management within the Department of Labour.

This chapter will therefore focus on the following:-

- History of the Department of Labour.
- Organisational structure of the Department of Labour.
- Survey conducted by the Department of Labour.
- Key findings of the survey.

- Implementation of the Strategic Human Resource Management by the Department of Labour.

3.2 HISTORY OF THE DEPARTMENT OF LABOUR

The new Department of Labour was created as a national competency with effect from 3 June 1994 in terms of the Public Service Act, 1994. At the same time labour administrations of the former TBVC States (which is Transkei, Bophuthatswana, Venda and Ciskei) the Self-governing territories and the Republic of South Africa were abolished. The unification of these administrations was completed during August 1994. The staffing of the new Department also enjoyed attention during 1994. Labour became a national competency which means that there would be a single labour dispensation for the entire country by means of extending the former RSA labour legislation to the former TBVC states, and former Self-governing territories while at the same time repealing legislation applicable to those areas.

The Department of Labour has been involved in a range of activities, in order to change people's lives for the better in the workplace. It has done this by initiating legislation that promotes sound and stable work relations, protects the rights of workers and employers, and by providing a range of services to our customers, including those in the remotest parts of the country, the jobless, the vulnerable workers (for instance domestic and farm workers), and big and small business alike.

3.2.1 Organisational structure of the Department of Labour

The organisational structure of the Department of Labour is composed of the following:-

- Chief Directorate of Labour Relations
- Chief Directorate of Labour Market Policy
- Chief Directorate of Employment and Skills Development
- Unemployment Insurance Fund
- Directorate of International Relations
- Chief Directorate of Occupational Health and Safety
- Compensation Fund
- Chief Directorate of Human Resource Management
- Chief Directorate of Administration

Besides the abovementioned Chief Directorates, the Department also has nine statutory bodies responsible for advising the Minister on matters related to the running of the Department, and ten provincial offices.

The Department of Labour in order to cope with the challenges it was faced with, decided to obtain a solid base of information by conducting a survey to enable it to evaluate its own capacity, structures processes and also to assess the needs, perceptions and expectations of internal and external stakeholders.

3.3 SURVEY CONDUCTED

The staff survey was conducted by Market Research Africa (MRA) as well as the internal institutional analysis which involved analysis of the following:-

- Budget
- Operation and service delivery systems
- Human resource policies and practices
- Organisational structure and decision making process
- Organisational culture and its
- Information technology

This was done in order to come up with a systematic and deliberate process of transformation of the Department.

In order to take the external environment into consideration, the Department conducted three separate surveys involving the general Public and Corporate entities. The general public survey covered about 4000 adults who were either full-time or part time employees, both in the rural and urban areas.