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Organizational Benefits of Human Resource Management Roles in South African State-owned Enterprises

Arvid Muzanenhamo¹, Bongani Innocent Dlamini¹

¹Durban University of Technology, South Africa

Corresponding Author: Arvid Muzanenhamo; Email: arvid263@yahoo.com

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ABSTRACT

Human Resource Management practitioners have been criticized for lacking business acumen due to the nature of the personnel management concept. There has been a change in Human Resource Management roles from traditional personnel management to Strategic Human Resource Management which seeks to provide organizational competitiveness. This article aims to provide organizational benefits of Human Resource Management to an organization as a result of the Strategic Human Resource Management concept. The strategic nature of Human Resource Management has been revealed in this article as there is evidence of Human Resource Management's contribution to the business success. This paper is a study carried out in a South African State-owned enterprise to identify organizational benefits acquired from Human Resource Management roles. Qualitative research was used in this study, and interviews were administered to obtain data from Human Resource practitioners and departmental supervisors in a state-owned enterprise. 24 participants were purposively selected to provide data for the study. This study revealed that the Human Resource department provides beneficial activities to the organization such as reduction of employee turnover, employee development, employee wellness, and internal communication. The critical discussion provided in this paper would strengthen the body of knowledge on the role of Human Resource Management in improving organizational effectiveness.

INTRODUCTION

This research aims to discuss the contribution made by Human Resource Management roles in improving organizational effectiveness. Strategic human resource management benefits organizations through the shaping of their entire management culture by encouraging superiors to provide their employees with enough resources and autonomy in executing their tasks. This enables managers to delegate once they see a working ability and performance improvement in their employees (Tang, Wei, Snape, & Chu Ng, 2015). Lui, Rong, & Ko (2018) reported that the implementation of Human Resource Management roles does not only improve the ability of employees to perform job-related tasks but influences employees' perceptions of the firm, which affect their behavior. Human Resource professionals have not only adopted new

roles within the workplace but have also designed, in conjunction with line managers, some innovative human resource approaches which benefit the organization and provide competitive advantage (Grobler et al, 2012). This paper provides a broader understanding of some positive effects of Human Resource Management in public organizations. A study by Xiao and Cooke (2020) provided that State-owned enterprises continue to play an important role in the Chinese economy, as they are dominating many vital industries, viz energy, financial services, and telecommunications. This is the same in the South African economy as provided by Bloomberg's (2017) report that state companies and agencies play a pivotal role in driving the South African economy. However, little attention has been paid to these hybrid organizations that seek to pursue not only financial organizational goals but

also public and non-profit goals (Xiao and Cooke, 2020). The study closes this gap by analyzing the important roles that are being played by Human Resource Management in state-owned enterprises. Qehaja and Kutllovci (2015) posited that Human resources have always been critical to the success of an organization and their importance has grown into a fact that is recognized from within and outside organizations. Consequently, Van Eeden (2014) stated that organizations are facing leadership challenges such as leading within increasing uncertainty and complexity; stepping outside the system; moving from valuing difference towards strategic inclusivity; and the exponential war for talent. Despite these challenges, the purpose of the Human Resource Management function is to ensure that the organization can achieve success through people. This study therefore seeks to reveal the organizational benefits of the roles played by Human Resource Management in a South African state-owned enterprise.

METHODS

The study was conducted using a qualitative method and structured interviews were used to collect data. A South African state agency called Mintek, located in Johannesburg was used as a case study. Non-probability sampling method was used in this study, and a purposive sampling technique was adopted. Du Plooy-Cilliers, Davis, and Bezuidenhout (2014) stated that purposive sampling enables researchers to purposefully choose the elements that they want to include in their sample. Human Resource Management practitioners and departmental supervisors in technical and support services at Mintek were selected purposively in this study.

Results were acquired through the use of in-depth interviews. In-depth interviews allow the researcher to ask participants some questions to get more views and beliefs about a specific phenomenon (Du Plooy-Cilliers et al, 2014). The thematic analysis method was used in this study, and Braun and Clarke (2006) reiterated that thematic analysis provides a useful research tool that gives a rich and detailed account of data. Nvivo software was used and it assisted the researcher to organize data, facilitating data analysis, theme identification, gleaning insight, and making conclusions (Sotiriadou, Brouwers, & Le, 2014).

RESULTS AND DISCUSSION

Human Resource Management is seen to benefit the organization in the following ways as represented under the following sub-themes:

Theme 1: Training and Employee Skills

Human Resources facilitates training for departments and also does soft skills training for staff. They hence become the link between the employer and employee in this regard. This signifies that Human Resources responds to external forces and provides relevant training for the organization to remain competitive.

“Yes, in terms of the training they do project management, excel, and leadership courses internally. We as finance we are very happy to get those training”.

“Yes they are benefiting the organization through providing of skills which is part of training”.

“Yes, it’s part of HR, remember as an employer you also have to provide some skills development to your employees so HR play that role between the employer and the employee where they facilitate the such process”.

Theme 2: Leadership and Organization

This sub-theme shows that Human Resource Management has benefits for the leadership and organization as a whole, as indicated below.

Specialized departments’ reliance

Data revealed that specialized departments are experts in their fields and disciplines. Human Resources is not their forte. Therefore, they do rely on Human Resource Management to handle the issues of performance management, training, and other human-resource-related issues.

“Personally I think yes. There are some things that we can do as technical people but there are a lot of things that we cannot do so we rely on HR. Mintek is a big organization which is a highly specialized institution, this whole floor is a Pyrometallurgy section, we are confined to a narrow specific discipline of high-temperature processing as opposed to other mineral industry, we have got our own niche another division has its own niche so for you to understand the human resources aspects, performance management, training issues, I think HR is really helping a lot”.

“I can’t imagine myself doing it, any of those things they do. I personally don’t have time for it,

so in some ways, it's benefiting me but honestly the whole organization".

Assists executives

Leadership is assisted whereby Human Resource Management does the groundwork, going out and trying to find proper skills for the organization. This signifies that Human Resources at Mintek relies heavily on external and competent facilitators who know a particular field to help in improving company objectives through training. The following respondent confirms this.

The executive and management cannot go out and see what kind of skills we need to be empowered on so yes HR can suggest together with management from their meetings they normally conduct.

Theme 3: Communication

Human Resource Management brings benefits in relation to communication and resolutions, which is needed when it comes to staff. Human Resource Management benefits departments in communicating organizational policies and changes to policies. They also become the contact person since Human Resource persons are deployed to every department for staff assistance. This implies that Human Resource Management has an overwhelming desire to quickly provide services to each individual. This has an impact on improving response times to queries in serving employees at Mintek. Problems can be quickly heard and resolved.

"They also have a role of letting us know of the new policies. They let us know of the new amendments and they organize some meetings to update us. For example, there was an issue of paternity that was amended sometime last year in January if I remember very well. So it was the role of HR to inform us that paternity we are not entitled to 10 days of paternity leave".

"Yes, they benefit. We have our HR, who is the main contact person in this division. So if we have HR issues we go to that person. If she can't handle the matter herself, she normally sends you to the right person".

Ulrich (1997) provided that due to an ever-changing environment, the main activities for the HR people are listening, responding, and finding efficient ways to provide resources to employees to be able to meet changing demands.

Theme 4: Monitoring of Turnover and Staff Issues

Data revealed that staff resignations are carefully monitored and Human Resource Management does investigate the reasons for such turnover to apply proper intervention. This helps the Human Resource professionals to deal with particular problems that affect employees at Mintek and thus reduce labor turnover. However, this is also done to reduce the recurrence of the same problems in the organization as this may lead to industrial action when continuous.

"Over and above that, if a particular division is getting a lot of resignations and analyze why those people are leaving. If it is because of leadership as an example we approach the divisional manager together with the executive to analyze what exactly about leadership that is lacking and provides an intervention".

Theme 5: Self-service Systems

Some degree of self-service systems has been put in place for the effective delivery of services. This is a positive move from the Human Resources administration towards a reduction of paper-based work. This function is used by many employees in the organization as it deals with employee records. There is a need to eliminate errors on employee records to provide accurate information on matters pertaining to employee training, remuneration, and other benefits. Hence the need to have some form of technology to smooth these administration activities.

"From the HR admin space, we have introduced an employee self-service system which reduces paperwork and saves time. Even though we are still behind, the online system we have introduced is doing better".

Marler and Parry (2016) provided that in organizations where the administrative function is dominant, there is a need to build an efficient administrative infrastructure, namely tracking job requisitions, managing employee payroll, benefits programs, and employment equity compliance.

Theme 6: Aligning People to Business

Human Resource Management ensures that staff are aligned with the business's vision and plan by ensuring that they have the right skills and knowledge to contribute effectively to the vision. Human Resource Management at Mintek supports the organizational objectives by ensuring that

employees have the necessary skills and competencies to serve the organization for competitive advantage. Human Resources seeks to create employee behavior and culture that is aligned with the vision of the organization.

“For us, it is the support that we provide. For example, the organization went on a drive for business plans. Each of the business plans was actually in the strategic direction of every division. As an example one division would say, in the next 3 years they will bring 40 million as profit. As HR we now need to come in and translate that into a people goal and support with the right staff or right skills that will help generate that income”.

Amos et al. (2016) stated that human resource professionals should shape employee motivations so that they can initiate, guide, and sustain human behavior in the direction required by the organization for competitive advantage.

Theme 7: Employee Wellness

In terms of employee wellness, Mintek staff were taken care of through the provision of clinic and canteen facilities. This serves as a cushion for employees to avoid spending more money on food and health matters since the working conditions at Mintek can be stressful due to the chemicals, toxic substances, and high temperatures experienced in the technical divisions. However, the unavailability of medical aid for employees seems to be compensated for by the provision of a clinic facility at Mintek. The following respondent confirms the same:

“The company has got a clinic for the employees which is one of the benefits. and our canteen is subsidized”.

Theeboom, Beersma, and van Vianen (2014) stated that employees can function better if their basic needs are met and feel well so that they do not struggle with health-related problems. Describe your research findings according to the research problem and purpose of the study.

CONCLUSION

The study revealed the benefits that Human Resource Management provides to the organization and its people for competitive advantage. Human Resource Management assists Mintek in obtaining qualified employees by working together with line managers. As a company that is highly technical in nature, Human Resource professionals involve line

managers in designing the specifications needed for various vacant positions to get candidates who match organizational needs. It was also revealed that Human Resource professionals provide qualified people who match the culture of the organization through graduate development programs. The study also established that the employee development role is quietly utilized by Human Resource professionals, although issues of funds seem to limit the effectiveness of this activity. There is evidence of outsourcing of training facilitators by the Human Resource professionals at Mintek. This helps in providing the necessary skills to the employees at Mintek. Communication seems to be a vital role played by Human Resource professionals as they provide information relating to policy changes, internal training programs, and employee relations matters to divisions on various platforms such as websites and meetings. In the reduction of company operating costs, Human Resource professionals try to reduce employee turnover by monitoring employee motivation in their divisions. Data revealed that when there is high labor turnover in a specific division, there is a procedure of examining the cause of employee turnover for further actions to be implemented. In addition to benefits, many respondents indicated that canteen and clinic facilities are beneficial as they utilize such schemes when the need arises, which seems to be motivating employees at Mintek.

It is recommended that the Human Resource department should do a salary survey and provide competitive salaries to the employees. This helps the organization in reducing employee turnover and improve worker motivation. The Human Resources department can also make use of an employee morale survey. This helps Human Resource practitioners to have more knowledge of employee needs. Morale surveys tend to be anonymous, and this allows employees to state what they need without fear. Quick reaction to employee needs through morale surveys can increase employee motivation and reduces industrial action. Write a conclusion based on your interpretation of the findings and discussion.

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