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Exploring the importance of human resource activities-strategies alignments: Interactive brainstorming groups approach

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Abstract: The authors explore the importance of aligning human resource (HR) activities to HR strategies in the work of business organisations. Employing interactive brainstorming groups approach, 21 MBA/MPhil students of the Department of Management Studies of the University of Cape Coast, Ghana were put into 3 groups to discuss and generate ideas on HR activities and their strategic linkages while the researcher guided and provided the needed materials. Objectives of the study include (1) to identify a bundle of HR activities and a set of HR strategies; and (2) to ascertain how the various HR activities could align appropriately with the HR strategies to enhance the work of the HR department. The groups identified and agreed on seven HR activities including job design; recruitment; selection; separation and retention; performance management; employee training; and compensation, and aligned with each of the four identified HR strategies including Bargain Labourer; Free Agent; Loyal Soldier; and Committed Expert. The outcome brings to the fore the need for HR professionals to extend operations beyond their traditional role and approach their work more strategically to better manage their employees to feed into the organisation's strategic direction. The study contributes to extending our

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PUBLIC INTEREST STATEMENT

Strategic human resource management as an aspect of human resource management (HRM) describes how the HRM objectives of an organisation can be achieved to support the overall goal of the organisation. This study assessed how human resource activities are performed in line with the strategic directions of an organisation, an important activity that many Human Resource Departments ignore. In all, seven HRM activities including job Design, recruitment, selection, retentions and separation, performance management, employee training and compensation are assessed against four HRM, strategy categorisations. The study finds that, HRM activities performed without consideration for the organisation's strategies become less effective and weakens the potency to effectively compete with rival organisations through its human resource. The paper therefore concludes by revealing the need for HR professionals to go beyond their traditional role to embrace a more strategic approach and practice in managing employees.

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understanding of the importance of effective alignment of day-to-day HR activities to HR strategies for effective people management and, therefore, refutes the popular view that strategy is always a top management activity.

Subjects: Social Sciences; Tourism, Hospitality and Events; Economics, Finance, Business & Industry

Keywords: HR activities; interactive brainstorming groups; HR strategies; vertical HR alignment; University of Cape Coast

1. Introduction

It is increasingly becoming evident that human resource (HR) practices impact on organisational performance and competitive advantage, and firms that experience these practices are those that employ good people management practices (Stewart & Brown, 2011). HR has evolved and there has been a shift from the administrative role through to HR business partner role. HR now focuses more on value addition and need for aligning HR activities with strategic planning. This shift has been necessitated by the concept of human capital or human assets including skills, judgement and intelligence of a firm's employees. Relevance of this linkage becomes evident in the work of Thite (2012) that the HR functions in organisations that emphasise human capital establish business partnership with line managers who have direct interest and involvement in delivering HR. The HR functionaries therefore become an integral part of the strategic business units and customise HR solutions to provide fast and efficient services.

The aim of this paper is to assess how specific HR practices align with overall HR strategies to identify how HR practices should operate within each of the broad HR strategies as the HR department performs its functions to support the larger organisation strategic direction. Specific objectives of the study therefore include (1) to identify a set of HR strategies and a bundle of HR activities; and (2) to ascertain how the various HR activities could link appropriately with HR strategies to add more value to the work of the HR department.

The rest of the paper is organised as follows: the next section focuses on review of relevant literature, followed by brainstorming of the HR strategies that will be aligned to the HR activities. This is followed by the methodology—how the study is organised and conducted. These are followed by the main part of the study—brainstorming of the linkage of HR activities to HR strategies to achieve the desired results. The study is then ended with the conclusion and area for further research.

2. Literature review

Strategy is seen as a set of coordinated choices and actions that focus where one wants to go and how to get there. A strategy therefore goes beyond simple decision-making to include how to put choices into practice (Darwish, Singh, & Mohamed, 2013). Relative to HRM there are two forms of strategy including competitive business strategy, which deals with choices and actions on how to provide the needs of customers; and human resource strategy, which involves appropriate choices and actions about people management within the organisation. To ensure organisational effectiveness, the two strategies must work together.

Strategic human resource management (SHRM) describes how HRM is aligned with strategic goals and objectives to enhance business performance and to develop organisational cultures that boost flexibility and innovation. The importance of SHRM is revealed by Darwish et al. (2013) who reported that the concept, during the past decade, has attracted a great deal of attention largely because of its potential impact on the functions of business organisations. This attention accorded SHRM is reflected in the growing importance of human capital and its role in gaining competitive advantage and improving organisational performance. HR activities such as recruitment, selection, training and rewarding personnel are done by keeping in view the company's goals and objectives, which are defined by strategies. Aligning HR activities with the strategic goals of firms has facilitated

organisations to achieve superb targets (Thite, 2012). Nagaraj and Kamalanabhan (2005) reveal the need to have a link between strategic planning and HRM. By implication, HRM need to be approached from strategic point of view, which calls for a link between HRM practices and HR strategies.

Linked to the concept of human capital, it is believed that such organisations have to acquire, develop and keep high class employee competencies and the practice required to manage such resources (Darwish et al., 2013), if such organisations are to survive and to effectively compete in today's global economy, which is increasingly becoming knowledge-based. This notion has led to research on exploring the link between SHRM and organisational performance. Examples of such studies include Wright and Boswell (2002) and Moideenkutty, Al-Lamki, and Sree Rama Murthy (2011). Many empirical studies on the SHRM-performance link have been conducted including that of Pfeffer (1994), who considered 16 HR best practices. The practices were later consolidated into seven (Pfeffer, 1998a) which included recruitment and training; selection; extrinsic incentives and rewards; performance appraisal; internal career opportunities; intrinsic incentives and rewards; and employee turnover. Pfeffer intimates that the more these practices the greater the organisation achieves increased productivity and profitability, and therefore propel organisation towards achieving competitive advantage. There is however argument among researchers about what bundle of HR practices could bring about the best results or competitive advantage, or even a number of these practices that can augment organisational performance. This implies that there is no specific number or types of HR activities that work for all organisations—they depend on organisational or at worse, industry context. Even when the same number and types of practices are adopted, the underlying outcomes may ultimately differ from organisation to organisation. Darwish et al. (2013) however believe that the only agreement with regard to this issue is that such practices can result in improved performance for all genres of organisations.

Based on the view of HR as human capital, there is the need for an approach of aligning people to strategy. Kearns (2004) identifies two levels of an HR function development model in organisation (1) where employees are seen as cost/resource, and (2) where employees are regarded as competitive advantage. Employing the model in their study, Taylor and Finley (2009) report that "when employees are seen as a competitive advantage, HR becomes a strategic partner responsible for getting the maximum value from the company employees" (p. 85). HR managers should therefore see the workforce as a source of strategic advantage but not as a cost that needs to be minimised. Investigations into the impact of the traditional (administrate) HR and SHRM on firm performance has proved that SHRM has more positive impact on firm's performance than the technical HR (Huselid, Jackson, & Schuler, 1997). The same investigation also links SHRM to competitive advantage which in turn impacts positively on business performance. The importance of aligning HR activities to strategy is supported by the co-alignment model which recommends the use of comprehensive, integrated strategy-management approach to create competitive advantage (Kim & Oh, 2004). The alignment principle informs that linking the strategy to everyday HR activities creates sustainable competitive advantage in the area of organisation's workforce management. As HR strategies feed into the broader corporate strategy, any success at HR level is linked to the organisation's success.

The concern for this article is to explore how HR activities/practices align with HR strategies. With regard to SHRM, Stewart and Brown (2011) define alignment as the state in which organisational practices fall into their proper place relative to other practices. An HR practice is therefore deemed to be in alignment when it is in its proper place relative to other practices and strategic objectives. Two basic forms of alignment with regard to SHRM include vertical alignment and horizontal alignment. Horizontal strategy refers to the fit between specific HR practice and other practices. For instance, recruitment is to target those with specific skills if the selection practice is to hire those who fit the job (but not necessarily the organisation). With this example, it means that the selection fits the HR strategy which the recruitment practice should align with. Vertical alignment, which closely relates to the focus of this article, involves the aligning organisation's HR strategy relative to other organisational strategies.

3. Methodology

The authors employ interactive brainstorming groups methodology, which refers to groups that work interactively, while following rules for idea generation. Developed in 1953 by Alex Osborn, brainstorming groups is a technique for idea generation in groups with members coming out with conflicting ideas and debating them till a compromise is reached. An idea so generated, therefore, is not attributed to any given member but to the whole group. The methodology suits this study as the authors speculate that the process of social interaction of peers would spur the individual students to greater creativity in generating a list of HR activities and their strategic alignments, a tenet of interactive brainstorming groups methodology. It was a further belief of the authors that by engaging in brainstorming, groups would increase the number and originality of the ideas to be generated as the approach has earned widespread acceptance for idea generation in organisations (Miller, 2009), and continues to be regarded as an effective method for enhancing creativity (Henningsen & Henningsen, 2013).

3.1. Participants

Participants were graduate students pursing master of business administration (MBA)/master of philosophy (MPhil) in HRM from the University of Cape Coast, Ghana. The students ($N = 21$) participated in the study for course credit in Strategic HRM module. As mature students, they had varied working experiences in HRM and had also covered the Strategic HRM topics. Three groups of seven students each were formed at random to participate in the study. The study expanded over eight weeks of three hours a week. Considering the brainstorming approach and objectives of the study, the number of participants may be small but this is compensated for by the eight-week stretch of three hours a week for the exercise.

3.2. Procedure

The groups were tasked to brainstorm a bundle of HR activities and how these activities could be linked to HR strategies for organisational benefits/success. Groups were instructed to interact, and were also asked to share ideas that came into their minds through brainstorming, regardless of how mediocre or irrelevant the idea appeared to be. As directed, group members worked cohesively to agree on each HR activity identified and prioritised the list of ideas produced. Emphasis was on interactions by members and agreement by all members in generating a given idea. Any HR activity and/ or strategy that was not agreed by all members of a group was not included on the list of ideas. A group member was asked to record the ideas generated on a single, group idea-generation form, another tenet of brainstorming (Henningsen & Henningsen, 2013). Members were also instructed to ensure absolute decision where all members should agree, rather than the "majority carries the vote" approach. Finally, ideas as agreed by each of the groups were transferred onto a summary sheet and the common ones (as identified by all three groups) were selected for the final report. There was fuller participation as all members had appreciable knowledge of the subject area being brainstormed.

4. The HR strategies

The groups identified and brainstormed some sets of HR strategies. The first is a set of HR strategies that engage attention in the US and focused on existing models of corporate strategy. An often cited example is Miles and Snow (1978) strategy types. The strategies are classified as "defender", "analyser" and "prospector", which they built based on their early work on strategy and structure. Another classification, which outlines three strategies linked to Pfeffer (1998b) general competitive strategies include "cost", "focused" and "differentiation" strategies. HR strategies agreed upon by the brainstorming groups in relation to the other two sets of strategies identified above are based on Stewart and Brown's (2011) four HR strategies formed from combination of firm's strategic direction and labour orientations.

The four HR strategies were developed from two approaches used to investigate human resource patterns. These include universalistic approach and contingency approach. Universalistic is an approach that seeks to identify a set of HR practices that is beneficial for the whole organisation. The

Figure 1. The four HR strategies.

	Bargain Labourer HR Strategy	Free Agent HR Strategy

goal of this approach is to find the one best way of solving a given people management problem. The universalistic approach identifies a bundle of practices that appears to be generally beneficial, and also sends the message that management cares about employees. The contingency approach, on its part, seeks to align human resource practices with competitive business strategies. One peculiar feature of this approach is its focus on cost leadership vs. focus on differentiation. The approach is mainly concerned with cost reduction, emphasising processes and general rules. As a result, appropriate behaviours for performing work are carefully prescribed. Organisations that focus on differentiation seek to promote innovation and quality enhancement. They show much interest in career development as a means of achieving good business results.

Another distinguishing feature of the contingency approach is whether an organisation has an internal or external labour orientation. Organisations that have internal labour orientation look for long-term relationships with employees, whereas organisations which exhibit external labour orientation are interested in flexibility and do not have long-term commitments with employees. These two sets of dimensions—cost leadership vs. differentiation, and internal labour orientation vs. external labour orientation are combined to develop the four different HR strategies, which include Loyal Soldier (cost leadership/internal labour), Bargain Labourer (cost leadership/external labour), Free Agent (differentiation/external labour) and Committed Expert (differentiation/internal labour). The four HR strategies are presented in Figure 1.

5. Linking HR activities to HR strategies

To maximise the effectiveness of HR activities to contribute to the corporate strategy, the HR department needs to link its activities to the HR strategies. It is speculated that, and as the brainstorming activities revealed, since HR strategy feeds into the corporate strategy, strategic HR activity means strategic corporate operations. This implies that the importance of HR strategies to an organisation can be identified by how HR activities are conducted; and how these activities, informed by HR strategies, are linked to the corporate strategy. The common HR activities identified by the groups of participants include job design, recruitment, selection, retention and separation, performance management, employee training, as well as compensation.

5.1. Job design

According to Stewart and Brown (2011), work or job design involves the process of apportioning and coordinating work tasks among employees. HR can design jobs that align with organisations pursuing cost leadership or differentiation, which combine to form the strategic direction of the organisation. Cost leadership strategy, which emphasises efficiency, goes with job design in a way that

employees have relatively little autonomy. This means that employees have little freedom to decide and input into how tasks are carried out. Efficiency is also increased with sequential processing where employees exhibit diverse but modest levels of skills, which happens for instance when employees use assembly lines to complete tasks. Corresponding HR strategy will be Loyal Soldier or Bargaining Labourer. In this regard, organisations have much control over their employees who are many, and are usually less skilful. Competitive strategy that focuses on cost leadership thus aligns with job design practices that restrict autonomy and increases sequential processing. Organisations that pursue either Committed Expert or Free Agent HR strategies, on the other hand, benefit from creativity and innovation. These two HR strategies are adopted by organisations that have differentiation as their strategic direction. Innovation results from designing job so that employees have levels of autonomy, which means a great deal of freedom to input into, and adjust the work process as such employees are skilled and professionals in their specialised areas. Free Agents, for example, are experts hired from outside at high cost because they are not available internally, and are skilful and are offered autonomy to operate e.g. consultants. Reciprocal processing, which is achieved when employees share tasks and work closely together, also leads to higher creativity. A competitive strategy that focuses on differentiation aligns with job design practices that result in high level of autonomy and reciprocal processing.

Participants identified four approaches to job design which include mechanistic, motivational, perceptual and biological approaches, each of which must be aligned with an HR strategy. The mechanistic approach to job design applies the principles of scientific management to determine the most efficient methods for completing tasks. Each employee is expected to learn and follow procedures that achieve results as quickly as possible. The mechanistic approach is most appropriate for cost leadership strategies (i.e. Loyal Soldier or Bargain Labourer HR strategies). However, Loyal Soldier is more prominent since it involves internal employees over whom the organisation has much control. Motivational approach focuses on designing jobs that increase workers' intrinsic motivation. Intrinsic motivation arises when employees perceive their work to provide meaningfulness, responsibility and knowledge of results. The motivational approach to job design is most suited for differentiation strategies—Free Agents and Committed Experts, as they focus is on distinctiveness. With regard to perceptual approach, jobs are designed so that employees can easily process important information. Equipment are developed in a way to simplify work and prevent accidents. The biological approach, on its part, involves designing jobs to prevent or reduce physical injury. Equipment that reduce both fatigue and need for excessive movement are chosen. In this regard, workers are taught principles such as maintaining good physical posture and proper use of equipment. Perceptual and mechanistic approaches go with cost leadership strategies while motivational and biological approaches suit differentiation strategies. There are some inherent trade-offs associated with the various approaches to job design. For instance, striving for efficiency by adopting the mechanistic approach may call for compromising on principles of the motivational approach.

5.2. Recruitment

Recruiting employees involves the process of identifying and attracting people highly likely to work for an organisation. Participants believed that the basic objectives of recruiting are to portray a positive image of the organisation and to identify and develop the interests of people who will be good employees. Effective recruiting thus comes from getting people to apply for positions and sustaining applicants' interests in joining the organisation. This is a major activity of all human resource departments. Linking strategies to recruiting employees is very crucial to the survival of every organisation as this is the starting point of acquisition and retention of talents (Oppong, 2015). Employee recruiting practices are therefore most effective when they align with overall HR strategy.

Three strategic dimensions were identified by participants. These include skills scope; sources of applicants; and job preview. In the area of skill scope, participants decided on two approaches that could be adopted—the targeted skills scope and broad skills scope approaches. Targeted skills scope recruiting focuses on communicating with a selected group of people with specialised skills and abilities and this is appropriate when the number of people expected to successfully perform the job

is limited. This strategy seeks to attract a small group of applicants with a high probability of possessing the attributes required to perform the specific job. Such an approach makes sense when only a select few have what it takes to perform the job successfully such as civil engineers and medical doctors. Targeted scope recruiting is thus optimal for organisations with both Committed Expert and Free Agent HR strategies. These organisations benefit from identifying and attracting only the people who are specialists and are able to produce differentiated goods and services with innovation and flexibility. Broad skills scope recruiting, on its part, seeks a large number of potential job applicants. Here, many people have the attributes necessary to perform the job, and the goal is to cast a wider net and develop a large pool of applicants. The board skills scope recruiting is most often used by organisations with cost leadership strategies, therefore suiting Loyal Soldier and Bargain Labourer HR strategies. For instance, organisations pursuing the Bargain Labourer HR strategy may hire a large number of non-specialised employees, who may stay with the company for only short periods of time. Organisations with Loyal Soldier HR strategy intend to keep employees for longer periods, but such employees do not need specialised skills to succeed. Most people meet the requirements to perform the tasks, and organisations attract a lot of applicants to provide many alternatives about who to hire.

Another strategic element of recruiting is source of applicants, which could be internal or external. Internal recruiting (attracting from within) is helpful when the organisation seeks to form long-term relationships with employees. These people are not difficult to assess since they have performance records and have already established closer relationship with the organisation. Because there is readily available data on employees' motivation and skills, the risk associated with internal recruiting are relatively low. Of course, internal sourcing is a fundamental part of Loyal Solider and Committed Expert HR strategies due to the internal labour orientation component. External recruiting is necessary when the organisation does not seek to establish long-term employment relationships. A high number of entry-level positions in organisations with a Bargain Labourer HR strategy often calls for external sourcing. Most employees are hired to do basic jobs, and there are few opportunities for promotion or re-assignment. Organisations pursuing Free Agent HR strategy also depends primarily on external sourcing. Bringing in a fresh perspective is key for these organisations, so applicants with specialised skills and knowledge who require little training and development programmes are attracted.

Employee recruiting can also vary in terms of the message sent to potential applicants—either realistic or idealistic. Realistic messaging means sharing both positive and negative information about the organisation and the job to potential employees. They are thus given realistic job preview aimed at painting a complete picture of what it is like to work for the organisation. Realistic expectations increase the likelihood of developing a successful long-term employer–employee relationship. Since internal employees are already conversant with what is happening in the organisation, those pursuing either Loyal Solider or Committed Expert HR strategies, realistic recruiting is most appropriate for these organisations. An idealistic approach shares only positive information, which corresponds best with organisations focusing on short-term relationships. It is therefore more appropriate for organisations pursing Bargain Labourer or Free Agent HR strategy since the target is external labour who may not show commitment towards the organisation. Such employees already possess the relevant skills and are therefore more likely to form exit intentions if they are not adequately compensated. Realistic messaging will not necessarily make new hires form long-term relationships with the organisation since they are likely to move to organisations where their contributions and rewards will be equitable.

5.3. Selection

Selection, as defined by Heery and Noon (2010), is the process of assessing job applicants using one or a variety of methods aimed at choosing the most suitable person for the job. As a follow-up to the recruiting process, which is designed to increase the number of applicants whose qualifications meet job requirements and the needs of the organisation, selection is the process of choosing from among those applicants who are predicted to offer the highest contributions to the organisation.

Selecting the right employees can improve the effectiveness of other human resource practices and prevent numerous people management problems. For instance, hiring highly motivated employees who fit with the organisational culture can reduce disciplinary problems and minimise costs related to replacing employees who quit. Also, careful selection of employees can help an organisation engage and keep the talents necessary to produce goods and services to meet customers' expectations.

Selection decisions may be based on the following three dimensions: specific vs. general skills; job-fit vs. organisation-fit; and achievement vs. potential. To begin with, organisations that focus on specialist or generalist skills base selection on short-term vs. long-term with specialist skills or long-term vs. short-term with generalist skills. Long-term employees develop long-lasting association with the organisation and develop deeper understanding of company's operations and practices. The short-term employees move from one organisation to another without developing expertise in how things are done at any particular employment. Employees offer specialist talent when they have developed expertise in a particular area, and generalist talent when they have operated in a variety of positions. Combinations of these skills can be aligned with the overall HR strategies. Short-term generalist skills correspond with a Bargain Labourer HR strategy as organisations with this strategy fill most positions with people who are just entering the workforce or people already working in similar skills in other companies. Selection focuses on identifying and hiring employees to produce low-cost goods and services, and selection criterion has been people who are able to perform simple tasks that require little specialised skills.

Long-term generalist talent, on the other hand, is beneficial for organisations pursuing Loyal Soldier HR strategy that emphasises keeping employees once they are hired. The selection objective is to hire employees to produce low-cost goods and services, who also form stronger commitment. Efforts are therefore made to identify people who will remain with the organisation for quite longer. The generalist's lack of specific expertise enables firms to reduce payroll costs. Long-term specialist skills also work with a Committed Expert HR strategy. Here, organisations made their own talent by identifying people capable of developing expertise in a particular area of the organisation's operations so that they can innovate and produce distinctive goods and services over time. Hiring those who can develop specialised skills over time enables organisations to acquire and keep a unique resource of talents that other organisations may find difficult to imitate. Also, employees are given the time and assets to develop the skills they need to be the best at what they do. Organisations using Free Agent HR strategy have short-term specialist talent in mind and they aim at hiring people who will contribute new skills and produce innovative goods and top-quality service.

Organisations could also base selection on a balance between job-based fit and organisation-based fit. This is with regard to whether selection decision is to be based on criteria that measure applicant's ability to perform the job in question or how applicant can integrate, generally, into the organisation. The latter does not only measure ability to perform the job but also how applicant shares the values and culture and vision of the organisation. This suggests that organisation-based fit is critical for organisations with generalist talent since employees could be easily reassigned to other roles within the organisation, which align with Loyal Soldier and Bargaining Labourer HR strategies, which are associated with low skills and efficiency. Job-based fit, on the other hand, is associated with specialist skills and aligned with Committed Expert and Free Agent HR strategies due to their specialist skills that are required to produce innovative and high-quality goods and services. The third staffing characteristic that underlies strategic employee selection decisions is the balance between achievement and potential. Basing hiring decision on achievement means organisations look at applicant's past accomplishments to inform the decision to hire. It is believed that what one has achieved in the past can be a guide to what he/she can achieve in the current job and therefore applied by organisations pursuing Committed Expert or Free Agent HR strategies due to the view that they are skilled and can use their achievement records for innovated and distinctive products. Critiques of this strategic dimension believe that past performance does not necessarily predict future performance due to some factors including age, technological change and variations in mode

of operations. Potential, however, measures the ability to perform now but not what one has been able to perform in the past. Unlike the achievement perspective, selection decisions based on potential are usually taken by organisations pursuing Loyal Soldier or Bargain Labourer HR strategies.

5.4. Retention and separation

Employees are a primary asset of almost every organisation but difficult to identify, hire and train good employees can be costly. Replacing an employee who quits could cost an organisation between one and two years' salary of the position. Good employees leaving to work for competitors can also be a problem in that it increases the effectiveness of rivalry. The expense and negative consequences of replacing employees encourage organisations to focus efforts on employee retention by putting in place a set of actions aimed at keeping good employees once they have been hired. Whereas retaining good employees is beneficial, organisations lose money when they retain poor employees. This reveals the fact that discouraging non-productive employees from continuing with the organisation is as important as retaining productive workers. Furthermore, changes in economic conditions and product demand sometimes force organisations to downsize, which involved the process of efficiently and fairly ending employee's working relationship with the organisation.

Employee retention is critical for organisations pursuing Loyal Soldier or Committed Expert strategies. Committed Expert HR strategy benefits from retaining employees who develop specialised skills and are able to help build a workforce with unique skills and lasting relationship. These skills are critical for producing distinctive products and services that cannot be easily duplicated by competitors. Organisations pursuing Loyal Soldier HR strategy try to retain employees by providing them with a sense of security that persuades them to work for slightly lower wages than they might be able to earn in competing firms. Such organisations reduce cost by offering job security in place of high wages. Employee retention is not critical for organisations with an external labour orientation (Bargain Labourer and Free Agent) since employees are believed to show less commitment towards their organisations. Employees are likely to leave at the slightest chance to pursue their careers elsewhere due to their specialised skills. It is not a good option to retain employees in organisations pursuing Free Agent HR strategy. Committed Expert HR strategy could however be adopted to quickly identify low performers and encourage them to leave rather than pursue a career with the organisation. For organisations with a Free Agent HR strategy, frequent turnover of employees is expected and is often helpful for ensuring that employee skills are up-to-date, and they also share the organisation's values and culture to heighten commitment. For organisations pursuing a Bargain Labourer HR strategy, separations are predictable because entry-level jobs are usually combined with relatively low wages, and this usually leads to employees becoming highly dissatisfied. It is therefore evident that retention and separation activities need to be aligned with the strategic direction of the organisation.

5.5. Performance management

Performance management is a process of linking the overall business objectives of an organisation with departmental objective, team objectives and individual objectives. The process involves setting target; constantly reviewing progress towards those targets; and offering remedial actions where there are training/development shortfalls (Heery & Noon, 2010). Most specific measures of job performance are related to one another and they combine to create a general performance factor that characterises overall contribution to the organisation. Performance evaluation and providing feedback are necessary tools to improve employee performance, which translates into better organisational performance. To achieve higher productivity, management needs to encourage supervisors to set goals, assess performance and provide feedback to employees. One reason is that trust in management increases when performance is accurately measured and adequately rewarded. Effective appraisals, particularly appraisals that allow employee participation, have been linked to higher levels of job satisfaction. Two strategic elements were identified with regard to performance management. These include merit-based systems and parity-based systems.

Merit-based systems use relative measures and forced distributions to recognise high performance. The aim of a merit-based system is to develop and recognise high performance in order to achieve superior performance results. Employees who produce the highest results are offered high ratings as basis for rewards. In general, merit-based approach is best suited for organisations pursuing differentiation strategies due to the emphasis on reward. Due to the challenging work and high skills to foster innovation and high-quality results, merit-based systems are aligned with organisations that pursue either Free Agent or Committed Expert HR strategies. With organisations pursuing Free Agent HR strategy, producing truly exceptional products and services is the key to success and is best accomplished by employees who are stretching to accomplish high goals with associated high rewards. The issue of stretching and competition is encouraged by ratings that communicate employee's performance level relative to others. Employees performing poorly can be encouraged to leave the organisation to be replaced with others who have greater skill and motivation to perform. With regard to organisations pursuing a Committed Expert HR strategy, promotions and advancement depend largely on achieving the expected results and performing better in relation to others, therefore aligned with merit-based system. Parity-based systems incorporate absolute measures and free distributions to encourage cooperation. The system is usually less costly and can recognise most employees as high performers, and is therefore aligned most closely with Bargain Labourer and Loyal Soldier HR strategies that focus on cost leadership that encourages interdependent work.

5.6. Employee training

Training is a calculated effort by a organisation to change the skills, attitudes and knowledge of employees with the aim of improving their competence levels. Many organisations offer training programmes, which come in many forms such as on-the-job training delivered by a supervisor; online discussions with colleagues from different sites of the firm or from around the country; large group lectures given by an expert; small-group projects coordinated by a senior officer; or simulations guided by computer programmes, etc. A critical feature of training is that employees are made to go through a structural experience that helps them learn something that can be applied to improve performance on a particular task/work. A well-designed and delivered training can enhance the overall effectiveness of an organisation in three ways: (1) it can boost employees' commitment and motivation; (2) it also helps employees perform their work more effectively and efficiently; and (3) it benefits organisations by helping them to meet their strategic objectives by providing employees with the specific knowledge, skills and attitudes necessary to help the organisation achieve its strategic objectives.

Training can also be linked to strategy to help an organisation gain advantage over competing organisations. Training needs and resources vary across firms depending on the strategy that a firm pursues. When a company follows a cost leadership strategy, training should help employees solve problems and be more efficient as the strategy requires that employees have knowledge, skills and attitudes that help become cost-effective and enhance efficiency. On the other hand, a company pursuing a differentiation strategy can use training to help employees provide better service or be more innovative and creative. Free Agent and Committed Expert HR strategies should therefore offer employees training that will require them to deliver services or make products that are superior to those offered by competitors. In terms of the overall amount of training, organisations with an internal labour orientation will offer more training than organisations with an external labour orientation due to the differences in skills and commitment to the organisation. For instance, internal employees are usually not skilful and many organisations desire to depend on internal labour instead of going for the already developed and skilled who may require little or no training. On the other hand, organisations with an external labour orientation will prefer acquiring new knowledge and skills by hiring new but skilled professionals.

5.7. Compensation

This is a specialist activity involved in administering and managing compensation system. The amount of money employees take home in their pay cheques forms a major part of compensation, but there are other important aspects as well. Compensation includes other benefits such as

retirement savings, paid time off from work and insurance. In a general sense, compensation represents the total rewards package—both monetary and psychological—that are offered employees by their employers. A good compensation system is crucial to an organisation because it has the potential to attract better employees and communicate that the employees' expectations are met by the employer. Equitable pay enhances employee motivation and contribution. This implies that linking pay to performance is helpful means of encouraging employees to improve their contributions to their organisations.

Compensation practices are most effective when they are aligned with an organisation's overall HR strategy. Participants from both groups identified two strategic dimensions of compensation and explained that compensation differs along these two dimensions. The first dimension relates to whether compensation is uniform or variable. Uniform compensation seeks to pay employees similarly regardless of performance level to build a sense of teamwork. Variable compensation emphasises paying high performer substantially more than low performers. The second dimension concerns either compensation is transactional or relational commitment. Transactional commitment focuses on short-term pay and bonuses whilst relational commitment emphasises long-term incentives and psychological support from the employer. Four types of compensation could be developed from the above dimensions to include uniform transactional compensation; uniform relational compensation; variable transactional compensation; and variable relational compensation.

Uniform transactional compensation aligns with Bargain Labourer HR strategy which offers monetary rewards to build commitment and to minimise pay levels by reducing labour costs. With uniform relational compensation, emphasis is on teamwork and paying everyone almost the same, thus making the compensation type appropriate for organisations pursuing a Loyal Soldier HR strategy. The Committed Expert HR strategy is best suited for variable relational compensation, which rewards high performers and builds long-term relationship with the organisation. Short-term monetary incentives are a key feature of variable transactional compensation and thus align with the Free Agent HR strategy.

6. Conclusion and recommendation for further research

The study has identified seven HR activities including job design; recruitment; selection; separation and retention; performance management; employee training; and compensation while four HR strategies including Bargain Labourer; Free Agent; Loyal Soldier; and Committed Expert have also been identified. Results of the interactive brainstorming groups on these HR activities reveal the relevance of linking HR department's individual activities to HR strategies. This brings to the fore the need for HR professionals to extend operations beyond their traditional role and adopt a more strategic perspective and practice to managing employees. Through the group brainstorming activities the study contributes to our understanding of the importance of effective alignment of HR activities to HR strategies, and also informs us that each HR activity has its strategic implications for the HR department. This implies that HR activities considered in isolation means little to the strategic direction of the HR department, whose strategies feed into the overall strategies of the organisation. This means the total organisational performance could be impacted positively by HR activities through their alignments with HR strategies. Therefore, HR functions should be regarded as integral part of the strategic business units, and HR is required to customise its solutions to provide fast and efficient business partner services.

The study has succeeded in identifying HR strategies and activities and how they link to enhance the work of the HR department. As the study is limited to the strategic implications of HR activities but not extended to the broader corporate strategy, the authors suggest a further study on how the HR strategies-HR activities linkages impact on the overall strategies of the organisation.

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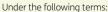http://dx.doi.org/10.1080/13678868.2011.646896

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