AN INVESTIGATION INTO THE EXISTENCE OF FIT BETWEEN HR STRATEGY AND THE BUSINESS STRATEGY AND THE IMPLICATIONS FOR ORGANIZATIONAL PERFORMANCE - A CASE OF SURFACE INVESTMENTS (PVT) LTD IN ZIMBABWE (JANUARY 2010 TO DECEMBER 2012).

By

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SUPERVISOR: MR G. MAGARAMOMBE
DECLARATION

I, Olice Chuma, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements, references and by comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other University or Institute.

Student’s Signature

Signature  ...............................  Date  ...............................  

Name of Supervisor Mr. G. Magaramombe

Supervisor’s Signature

Signature  ...............................  Date  ...............................  

Dedication

To my supervisor, Mr. G. Magaramombe, without whom this dissertation would have remained a dream.
ACKNOWLEDGEMENTS

Without the assistance of University Of Zimbabwe Library and British Council Library, it would not have been possible to collect much of the information for the Literature Review Section.

I say thank you to my supervisor, Mr. G. Magaramombe, for his patience, constant support and advice. Without his hand, this work would have not been successful.

I wish to express my sincere gratitude and appreciation to various individuals especially, Mr. N. Somani and employees at Surface Investments (Pvt) Ltd whose cooperation has made the compilation of this dissertation a success.

In addition, I appreciate the role played by my wife, Tarisayi Chuma, my mother (Florence Chikwanha), family members and friends for advice and moral support.

Above all, I would like to thank the Lord who allowed me time and resources to finish the research.
ABSTRACT

During the period January 2010 to December 2012, Surface Investments (Pvt) Ltd performed inconsistently and failed to achieve set targets. The company’s set goals and objectives were to attain a target of 600 metric tonnes of crushed seed per day. The study’s overall objective was to investigate the existence of fit between HR strategy and the business strategy and the implications for performance at the company. The study proposed that there was no fit between HR strategy and the business strategy at Surface Investments (Pvt) Ltd in the period covered by the study and that this contributed to the firm’s failure to achieve set production targets of crushed seed. Literature review was undertaken to identify key concepts that underpin SHRM. This study adopted both qualitative and quantitative approaches but was more qualitative. The research used random sampling to choose 50 participants who consisted of 5 managers, 25 middle managers and 20 professionals. Primary data was collected using both interviews and self–administered questionnaires. The following were the major findings of the study; in the year 2010, there was no optimal fit between HR strategy and business strategy and this was caused by a weak recruitment and selection strategy, weak learning and development strategy and a weak industrial relations strategy. However, from mid 2011 to December 2012, because effective human resource planning, succession planning, reward management, performance management, recruitment and selection, training management and implementation of a sound industrial relations management system were now in place, there was an improvement in performance. The researcher recommended that the company improves on its recruitment and selection strategy, learning and development strategy and industrial relations strategy, to ensure that optimal fit between HR strategy and business strategy is achieved. Further research needs to be done in Zimbabwe at industry level to establish the correlation between HR strategy and business strategy focusing on both the vertical and horizontal dimensions. This study was at company level and only focused on the vertical dimension of fit.
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LIST OF ACRONYMS

HRM – Human Resource Management
SHRM – Strategic Human Resource Management
SADC – Southern African Development Community
COMESA – Common Market for Eastern and Southern Africa
GNU - Government of National Unity
HIV/AIDS- Human Immuno Virus/Acquired Immuno Deficiency Syndrome
ILO - International Labour Organization
SWOT - Strengths, Weaknesses, opportunities and Threats
IDC - Industrial Development Corporation of Zimbabwe
SIPL - Surface Investments (Pvt) Ltd
RBV- Resource Based View
IR – Industrial Relations
ETP – Effluent Treatment Plant
CHAPTER ONE

INTRODUCTION

1.0 Introduction

This research examines the existence of fit between HR Strategy and the business strategy at Surface Investments (Pvt) Ltd in the period January 2010 to December 2012 and the implications for organizational performance. To be discussed in this chapter is the company background, vision, mission, objectives and values, shareholding, and the business model. Furthermore, both the HR strategy, the business strategy of Surface Investments (Pvt) Ltd, PESTEL analysis, industry analysis using Michael Porter’s five forces and swot analysis are discussed in this chapter. The chapter highlights the statement of the problem, research objectives, research questions, research proposition as well as scope and importance of the study.

1.1 Company Background

1.1.1 Surface Investments Pvt. Ltd.

This company is owned by Midex Group of India which has a major share holding of 74% and the IDC (Industrial Development Corporation of Zimbabwe) with a 26% stake. The company produces soya and cotton meal, soya and cotton oil and pellets for stock feed. The company is currently exporting oil to the export market i.e., Malawi and cotton meal to South Africa. According to the company’s strategic Documents, the objectives, vision, mission and values of the company are as highlighted below;
1.1.1.1 Objectives

Main objectives of the Corporation are:

1. To achieve extraction
2. Grow market share
   a) Achieve 78% capacity utilization by December 2012
   b) To increase the packed product to 50% of production by December 2012
   c) To grow market share to 70% level (Surface – Strategic Document, 2009)
3. To achieve 120 metric tonnes per man per month by December 2012.
   a) Crush 12000 metric tonnes with a staff complement of 500
4. To generate sufficient profit per month
5. Eclipse competition by December 2012

1.1.1.2 Corporate Vision

To be the market leader in oil extraction, stock feed manufacturing and related value addition in SADC and COMESA.

1.1.1.3 Corporate Mission

To be an efficient integrated oil seed crusher that invests in related value addition products that creates long term value for the stakeholders.
1.1.1.4 Corporate Values

- Transparency
- Innovation
- Fair play
- Professionalism and integrity
- Environment protection

1.1.1.5 Shareholding

Industrial Development Corporation of Zimbabwe is Zimbabwe's largest industrial company involved in motor & tractor assembly, fertilizer & chemicals, cement manufacture, canned vegetables, aluminium & copper extrusion, grain bag manufacture, tourism lodges, brick & tile manufacture, glass manufacture (packaging and glazing) etc and own 51% in another oil extraction plant (Olivine). They are 100% owned by the government of Zimbabwe.

1.1.1.6 Surface Investments Pvt. Ltd Business Model

According to Magretta (2002) a business model refers to the rationale of how an organization creates value. Thus a business model mainly consists of two elements namely what the business does, and how the business makes money doing these things.

The business model for Surface Investments (Pvt) Ltd is woven around the following key objectives;

a. Being a Market Leader

    This entails the following:
i. Production – crushing 600 metric tones of seed per day.
ii. Market Share – secure 80% of the market share.
iii. Distribution – distribute to all domestic customers and customers in the SADC region.
iv. Profitability – being a profitable business. Aim a profit of more than 75% per annum.
v. Innovation – having the latest technology in the oil processing business. Retain and maintain a high innovative team.

b. Being an efficient integrated oil seed crusher

This entails the following;

i. Lowest production cost
ii. Best method and systems
iii. Best and efficient extraction
iv. Cheapest source of consumables and raw materials

c. Investing in related value addition products such as;

i. Margarine – plan is to install a margarine plant by December 2014 to ensure that the company will maximize on profit.
ii. Chunks – intensify production of soya chunks because the raw material is readily available from soya meal.
iii. Stock feed - plan is to install a stock feed plant by December 2014 to ensure that the company will maximize on profit. Raw material for stock feed is readily available from cotton hulls.

d. Creating long term value for stakeholders by ensuring that;

i. The organization remains a going concern
ii. The organization meets liabilities using assets
1.1.1.7 Surface Investments Pvt. Ltd Business Strategy

In July 2009, Surface Investments (Pvt) Ltd shareholders and the executives approved a business strategy that is summarized in Table 1.1. With the inception of the multi-currency system, the plant could not cope with production levels required (600 metric tonnes of crushed seed per day) and also, it could not meet the required annual turnover of 200 million dollars. To achieve a desired target (600 metric tonnes of crushed seed per day) the shareholders and the company executives conducted a strategic meeting at Imbamatombo (Glen Lorne). The strategic session produced the business strategy as depicted in Table 1.1;

Table 1.1: Overall Strategy for Surface Investments (Pvt) Ltd

<table>
<thead>
<tr>
<th>Description</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installation of an Automated Plant</td>
<td>December 2011</td>
</tr>
<tr>
<td>Installation of High Voltage Generators that can run the plant</td>
<td>December 2012</td>
</tr>
<tr>
<td>Annual turnover of 200 million dollars</td>
<td>December 2014</td>
</tr>
</tbody>
</table>

Source; Surface Investments June 2009 Strategy Document

According to Miles and Snow (1984), business-level strategy deals with decisions and actions pertaining to each business unit. The main objective of a business-level strategy is to make the unit more competitive in its marketplace. In the 1980s, Porter (1980, 1985) made a significant contribution to the understanding of business strategy by formulating a framework that described three competitive strategies namely cost leadership, differentiation and focus.

Surface Investments (Pvt) Ltd adopted the cost leadership strategy. The low-cost leadership strategy attempts to increase the organization’s market share by having the lowest unit cost and price compared with competitors. With high
The automation of the plant, it meant that the labour force will be highly reduced with production cost and losses highly minimized. This would result in relatively low cost products as compared to similar products in the market.

### 1.1.1.8 Surface Investments Pvt. Ltd Human Resource Strategy

When the business strategy was approved; executives were tasked to draw functional strategies to support the business strategy. Functions namely, Human Resource, Engineering, Finance, Sales and Marketing and Production drew strategies. Document review showed that an approved HR Strategy was in place and adhered to in the day to day operations of the company. The issue that arises and which is a focus of this study is the extent to which there is fit between the HR strategy and the aforementioned business strategy. The HR Strategy in place is summarized in Table 1.2.
Table 1.2: HR Strategy for Surface Investments (Pvt) Ltd

**SURFACE INVESTMENTS (PVT) LTD**

**HUMAN RESOURCE STRATEGY (2009 - 2013)**

**People Perspective**

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<tr>
<th>KPA</th>
<th>Activities</th>
<th>KPIs/Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTRACTING AND RECRUITING</td>
<td>Recruitment and selection of key personnel</td>
<td>Internal and external recruitment to be employed where necessary. Key personnel to possess correct qualifications and experience as per job specification.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEARNING AND DEVELOPMENT</td>
<td>Drafting, Competence, Awareness and Training procedures Training Needs Succession Plan</td>
<td>Competence, Awareness and Training procedures to be in place by 31.12.11 Training Needs to be in place by November each year Succession plan to be always in place. 60% of recruitments to be guided by Succession Plan in place.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>PERFORMANCE MANAGEMENT (to be done in stages)</td>
<td>(a) Job Descriptions (b) Job evaluation and grading exercise (c) Performance Appraisals</td>
<td>All employees to have Job descriptions Job evaluation and grading for managerial jobs to be complete by 31/12/12 Performance objectives and measures of success to be in place by 31/12/13 Performance appraisals to be conducted semi annually for managerial and professional employees.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REWARD MANAGEMENT</td>
<td>Compensation management (CM) policy</td>
<td>Pay market related salaries and benefits to managerial staff Pay CBA employees as per the applicable CBA rates</td>
</tr>
<tr>
<td>INDUSTRIAL RELATIONS</td>
<td>Code of Conduct and Grievance Procedure</td>
<td>100% adherence to the national code of conduct (SI 15 of 2006) and the Grievance Procedure. Surface Investments (Pvt) Ltd Code of Conduct &amp; Grievance Procedure, to be in place by 30.12.13</td>
</tr>
<tr>
<td>HR PLANNING</td>
<td>Manpower Plan.</td>
<td>Manpower Plan to be always in place Manpower plan to be reviewed where necessary</td>
</tr>
<tr>
<td>INFORMATION MANAGEMENT</td>
<td>Drafting, Human Resources Statistics Work Instruction</td>
<td>Human Resources Statistics Work Instruction to be in place by 31/06/12</td>
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<td>BUDGETING</td>
<td>Producing HR Annual Budget</td>
<td>2012 HR Annual Budget to be in place by 30/11/11</td>
</tr>
</tbody>
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This strategy will be reviewed and updated when developments relating to it necessitate review.

Source: Surface Investments June 2009 HR Strategy Document
1.2 PESTEL Analysis for Surface Investments (Pvt) Ltd

A macro-environmental analysis of Surface Investments (Pvt) Ltd is best presented by using the PESTEL approach, which lists factors in the macro-environmental that directly impact the organization. According to Drummond and Ensor (2007), PESTEL is an acronym that stands for Political, Economic, Social, Technological, Ecological and Legal. Drummond and Ensor (2007) assert that an analysis of the external environment is undertaken to discover the opportunities and threats that are evolving and that need to be addressed by an organization. Porter (2008) argued that it is part of the external analysis used when conducting a strategic analysis or doing a market research, and provides an overview of the different macro – environment factors that a company has to take into consideration.

1.2.1 Political

According to Stoner, Freeman and Gilbert (2010) political variables are factors that may influence an organization’s activities as a result of the political process or climate. No company, domestic or international, large or small can conduct business without considering the influence of the political environment in which it operates (Cateora and Graham, 2007). The political factors that affected the industry will be discussed below;

1.2.1.1 Government of National Unit

The Global Political Agreement (GPA) signed between Zimbabwe African National Union Patriotic Front (ZANU – PF) and the two formations of the Movement for Democratic Change (MDC) in 2008 gave birth to the Government of national Unity (GNU) in 2009 (Bratton, 2010b). This brought about hope for the industry as it boosted confidence in that business would return to normal since it had been at a stand still awaiting the outcome of the negotiations between the parties involved. The signing of the Global political agreement brought about relative political stability to the industry and confidence to do business in
Zimbabwe was restored. The Oil processing sector has been on the recovery path since the years 2008 to 2012.

1.2.1.2 Indigenization and Economic Empowerment Bill (2008)

The Bill was signed into law on 9th of March 2008 and it compelled all foreign owned companies to give 51% of their shareholding to local Zimbabweans (Reserve Bank of Zimbabwe Statement, 2008). This meant that no foreign owner would be a majority shareholder in any company in Zimbabwe. This scared away foreign investors who were afraid of investing in the country for fear of losing their businesses. Foreign Aid was also suspended by foreign countries (Ibid). The Bill impacted negatively on Oil processing companies as the bulk of working capital was coming from foreign investors who then adopted a wait and see attitude (Ibid). Oil processing companies like Olivine Industries saw most of the foreign owners relinquishing their share ownership and leaving the country. (www.rbz.co.zw) visited on 21.10. 2012. This saw the company struggling and closing many of its subsidiaries for instance, Cotton Division – Willovale was closed (Olivine - Production Manager, 2012).

1.2.1.3 The 2012 mid – Year Fiscal Policy Statement

In the mid – year fiscal policy statement of 18 July 2012, the government directed all ginners not to export cotton seed and to sale it locally. This meant that consumable raw materials would be available to the domestic customers and this also weakened the bargaining power of suppliers. However, this could not be effective because cotton farmers had moved to tobacco farming which was deemed profitable.

1.2.2 Economic Factors

The economic environment of the country shapes the commercial environment of the industry (Comai and Tena, 2007). Economic aspects which are important include the ones to be discussed below;
1.2.2.1 Capacity Utilization

The multi-currency system introduced in 2009 brought about relative stability in the country but the challenge that remained was that of capacity utilization which continued to hamper business opportunities for the industry (CZI, 2009). According to a report by the confederation of Zimbabwe Industries (CZI) (2009), about 82% of companies were operating at less than 50% capacity utilization. The main reasons given for failure to operate to full capacity were raw material shortages and working capital problems (CZI, 2009). Companies in the oil processing industry were not spared as most of them were now operating below 30% of the actual capacity (CZI, 2009).

1.2.2.2 Disposable income

The year 2009 saw most companies trading in foreign currency and employees receiving their salaries in a more stable currency. This saw an increase in disposable income which led to increase in consumption. This had a positive impact on the industry as people were now able to spare money to purchase oil products such as cooking oil, margarine and fatty acids (CZI, 2009).

1.2.3 Social Factors

Comai and Tena (2007) define social forces of the environmental influences to include the characteristics of the population, its income and its values.

1.2.3.1 HIV/AIDS

HIV/AIDS has the potential to create a severe economic impact on the country. It is different from other diseases because it strikes people mostly in the productive age groups (World Health Organization (WHO), 2009). The infant mortality rate in Zimbabwe was expected to double by 2010 due to the impact of AIDS, the death rate would increase six times and life expectancy would decrease from 70 years to less than 35 years (WHO, 2009). The Oil industry has been affected by
HIV/AIDS in that some employees would be on sick leave and this affected productivity (WHO, 2009).

1.2.3.2 High unemployment rate

Unemployment rate as at December 2009 stood at 95% and as at December 2011, it was around 80% (Indexmundi, 2011). High unemployment rate in Zimbabwe has had a negative impact on Oil industry companies in that it led to high criminal activities as people sought to survive. High pilferage rates were noted and this was done in syndicates with the security personnel at oil companies. Criminal statistics at Surface Loss Control Department showed that 65% of theft cases involved cooking oil.

1.2.3.3 Brain Drain

Brain drain is a global phenomenon, which is associated with loss of professionals, usually from developing countries to developed countries (Jongwe, 2009). It is established that for Zimbabwe, approximately 500 000 skilled professionals are in the Diaspora (Central Statistics Office, 2009). The country over the past decade (1999 – 2008) witnessed a significant number of technical employees leaving. Skilled personnel for most oil processing companies left for greener pastures in the Diaspora and this impacted negatively on the level of service that was being offered by oil processing companies. A number of oil processing companies had to resort to expatriates for technical expertise. For instance, 15% of skilled personnel at Surface Investments were expatriates (Indians). (Surface Investments (Pvt) Ltd HR Personnel Records, 2009). The major shareholder at Surface Investments (Pvt) Ltd is an Indian National; hence it is easy for him to get access to cheap and skilled labour from India.

1.2.4 Technological Factors

There has been little access to technology and keeping abreast with technological changes in the oil processing companies. Very few companies are
keeping abreast with technological developments for instance; atomization is efficiently being used by companies to extract oil from the seed. Reduced automation is a result of a poor capital base which means that there will be little or no funding of capital expenditure. For instance machinery at Olivine Factory was made in 1953 (Engineering Manager – Olivine Industries, 2011). However, e-business opened up access to wider markets in the region and this has made doing business across borders easy but only for companies with a strong capital back up.

1.3 Industry Analysis using Michael Porter’s Five Forces Model

Industry analysis is a key aspect to understanding an organization’s overall business environment. It is an important input to organizational processes such as strategic planning. Industry analysis is done using Porter’s five forces model of 1980, a framework that evaluates entry barriers, suppliers, customers, substitute products and industry rivalry.
Figure 1.1 depicts what is transpiring in the Detergents, Oils and Fats industry in relation to Michael Porter’s Five Forces Model of 1980.

Figure 1.1: Industry Analysis Using Porter’s Five Forces Model of 1980.


1.3.1 Threat of new entrants

New entrants to an industry typically bring to it new capacity and desire to gain market size. These are therefore threats to established corporations as there is a possibility that profits of these firms will be eroded by the new entrants as they try to gain market share. Threat of entrants depends on the entry barriers and the reaction that can be expected from the existing companies (Carpenter & Sanders, 2009). High capital requirements of around USD5 Million acts as high entry barrier (Ibid). Also the degree of automation required with the plant also
act as an entry barrier. This explains why most companies are dying in this sector and also why few companies are into oil processing. It is difficult to enter into this business. Surface Investments (Pvt) Ltd has a large capital base of USD 200 million and hence, working capital is not much of a problem. (Finance Manager – Surface, 2011).

1.3.2 Threat of Substitute products

Substitute products are those products that appear to be different but can satisfy the same need as another product (Lima, 2006). When the price of the product rises above that of the substitute product, customers tend to switch over to substitutes. Threats of substitutes have been high as alternative products are being offered by other companies who are importing Palm oil from the South African market. Also the production of peanut butter by home industries is on the increase currently. So threat of substitute products is high in this industry. Surface Investments (Pvt) Ltd changed from manual to automation and this guaranteed high productivity due to increased capacity of the plant. After the automation project in 2011, the plant can crush as much as 600 metric tonnes per day and it means that 92 metric tonnes of oil will be produced per day. Thus, the market can be provided with the product as long as cotton seed is made available by suppliers. (Manufacturing Executive – Surface, 2011).

1.3.3 Bargaining power of customers

The customers for oil products and its derivatives comprise of corporate, supermarkets, individuals and farmers. The customers have high bargaining power because there are many substitutes’ products like palm oil which is being imported cheaply into the country and peanut butter which is being produced by a number of home industries. This affected Surface Investments (Pvt) Ltd. For example Mohammed Mussa bargains for a 2% discount whenever he visits the company for the product. He usually buys around 60 tonnes of oil per week for the shops. (Sales Manager – Surface, 2012).
1.3.4 Bargaining power of suppliers

Suppliers can affect the industry through their ability to raise price or to reduce the quality of the purchased products and services. In the industry, suppliers of raw materials especially, cotton seed have a low bargaining power because the government has advised that no cotton seed will be exported and this meant that it can only be sold to the local market. Also, in the local market, a number of companies have closed down due to viability problems and a few are operating leaving them with high advantage over the suppliers. This has led to companies in oil processing industry making a significant profit in most instances. In 2011, Surface Investments (Pvt) Ltd was affected because cotton farmers had switched to tobacco farming because of price issues. Ginners were revising the prices of cotton seed so often and this was being caused by scarcity of the product. Demand was high and the product was limited and this created a shortage. As a result, suppliers were at an advantage. (Purchasing Manager – Surface, 2012).

1.3.5 Intensity of rivalry amongst existing players

According to Porter (as cited in Lima, 2006) competitive rivalry is the jockeying for position and buyer favour that goes on among rival firms. Competitive moves by one firm can be expected to have noticeable effects on its competitors and cause retaliation or counter efforts by other players. A number of companies are facing viability problems mainly due to aged equipment which results in high cost of production. Also, the companies need high atomization to perform well. So, a high capital requirement for automization has resulted in low capacity utilization and low rivalry amongst players in the industry. That Surface Investments (Pvt) Ltd is highly automated and this led it to being a giant as high capacity utilization is being experienced. Surface Investments (Pvt) Ltd has a large capital base of USD 200 million and hence, funding working capital is not much of a problem. (Finance Manager – Surface, 2011).
Competitor Analysis

The preceding sections give a snapshot of competitor analysis of three major oil processing companies in Zimbabwe.

i. Olivine Industries

Olivine is owned 49, 3% by AlCO Africa Limited, 49, 3% by the Zimbabwean Government and I.D.C. Holdings owns 1, 4% stake (www.olivine.co.zw, visited on 21.10. 2012). The company was established in 1931 and has developed to become a principal manufacturer of a number of customer commodities such as vegetable oils, margarines, fats and soaps. The company is located in Southerton industrial site, Harare, Zimbabwe (www.olivine.co.zw, visited on 21.10. 2012). The following can also be noted;

- Concentrates on converting oil into margarine and bakery fats.
- Jointly owned by Cottco parent company & IDC, so has better credit & access to cotton seed from Cottco.
- Plant is over 30 years old, needs major refurbishment.
- Plant is more suited to run on soya bean & delinted cotton seed and not fussy seed.
- Olivine brand on both oil and margarine is very strong and well established in Zimbabwe, Botswana and Zambia.
- Surface Investments (Pvt) Ltd has done toll processing for them - oil extraction and oil refining.

ii. National Foods Limited

National Foods Limited was founded in 1920 and it produces quality oil products and its derivatives (www.innscoafrica.com.) Visited on 11.10. 2012). The company has many manufacturing sites and warehouses in Zimbabwe. The following can also be noted;
• Had two oil plants that are over 30 years old in Harare and Bulawayo. Both the Bulawayo and Harare plants have been closed down.
• Strong on distribution with other maize and wheat products, into sister retail giant SPAR.
• Since 2009 it has been importing and packaging palm oil as opposed to in - house oil extraction.
• Surface Investments (Pvt) has done toll processing for them - oil extraction and oil refining.
• Surface Investments (Pvt) has also sold oil to National foods.

iii. United Refineries

United Refineries is owned 51% by K. Musanhi, 33% by Cassilli Diego and 16% by Moyo (United Refineries HR Manager, 2012). The company was founded in 1935, and is amongst the leading manufacturers of consumer and industrial products which include oils, margarine and soaps. The Company is located in Kelvin sites, Bulawayo, Zimbabwe. The following can also be noted;

• Bulawayo based, and years of poor management and old machinery have taken their toll with little or no activity on oil extraction but still strong on soaps.
• Little oil seed buying.
• Mainly supplies the market in the southern & western part of Zimbabwe.

1.4 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

According to Johnson and Scholes (2004), SWOT stands for Strengths, Weaknesses, Opportunities and Threats. When a company understands the SWOT analysis, it may control its strengths, correct the weaknesses, get the most out of its opportunities, and minimize threats.
1.4.1 Strengths

One of Surface Investments Pvt Ltd strengths is the convenience it offers to its customers in terms of proximity, accessibility and availability. Kotler (2002) argued that convenience refers to proximity, accessibility and availability. The products are always available to customers because of convenient business hours. The Sales office is open at convenient times. In addition, at weekends, the sales office will be open and sometimes on Sundays especially when the demand is high. Surface Investments Pvt Ltd opens at 0700 hours and closes at 1730 hours every day including weekends and public holidays. Thompson et al. (2005) argued that convenient locations are an important key success factor for many businesses. Surface Investments Pvt Ltd is conveniently located in high density suburbs close to its customers. It is close to the main road (Seke road) making it easier for the customers to access the place. Surface Investments Pvt Ltd is well connected to suppliers of raw materials. Production, selling and marketing is done at the plant and so costs are minimized.

From late 2010 to mid 2011, the company acquired State of the Art machinery from China and the production processes were now controlled by the machines themselves and manual control became limited. This was because the new machinery was highly automated and they could run without being controlled by people, but using set parameters only. The plant has the highest capacity when compared to competition i.e. Olivine and National Foods. Surface Investments Pvt Ltd has the capacity to crush 600 metric tonnes of seed per day, and other companies like Olivine have a capacity which is below 250 metric tonnes of crushed seed per day (Surface Production Manager, 2012).

The other strengths are that the company enjoys an integrated facility from seed preparation to bottling. All the plants are located at one stand and the processes are controlled from one place. This means that processing costs are reduced. This is unlike the situation at Olivine where plants are located miles away. Production costs become expensive because a lot of handling will be involved.
Lastly Surface Investments Pvt Ltd benefits from a foreign partner (Midex Group of India) with the technical know-how and access to expertise. A number of specialists and for special assignments come from India as expatriates. The expatriates provide expertise and are a source of cheap labour. The expatriates come from India and China and they do not charge more than local labour for their services. Their charges are influenced by rates in their countries of origin and this positively affects Surface Investments (Surface Manufacturing Executive, 2012).

1.4.2 Weaknesses

Surface Investments Pvt Ltd lacks advanced technologies (in its other plants) to use in business operations. There is need for advanced technology to operate the Effluent Treatment Plant (ETP) well. The ETP was not upgraded when the capacity of the plant was increased in late 2010. The other weakness is that, the company is in the transition stage – from small-scale to a body corporate. A number of compliance issues are still being dealt with and sometimes the company suffers from spot fines issued by relevant arms of government and this will be for non-conformance to certain rules and regulations (Surface Production Manager, 2012).

1.4.3 Opportunities

Since the introduction of multicurrency in 2009, the consumer demand for oil and related products has increased creating an opportunity for Surface Investments Pvt Ltd to grow its business. In 2012, the government of Zimbabwe did not approve the application that was made by ginners (Cottco) to export cotton seed. Reason for turning down the request was to ensure support for oil processing companies by ensuring that seed / raw material will be locally available. The government’s initiative in disallowing exportation of raw materials (soya and cotton seed) by ginners provided an edge to the oil processing companies. Surface Investments (Pvt) Ltd is taking advantage of trade fairs and the
exhibition shows to market its products. The increase in the small scale suppliers of raw material is an opportunity for Surface Investments Pvt Ltd to negotiate for lower prices and reduce its cost of raw materials.

1.4.4 Threats

Brain drain poses a challenge to Surface Investments (Pvt) Ltd whose trained personnel leave the organization for greener pastures after being trained. Another threat which is being experienced is high competition from imports. There is no tariff for oil products and it is cheaper to buy imported oil than locally manufactured one. Locally produced oil is being affected by high cost of production.

In addition, uncertainty with the political landscape is another issue which is a big threat. The indigenization policy being championed by the government of Zimbabwe is a major threat even to Surface Investments (Pvt) Ltd. The indigenization policy requires companies to have 51% ownership by local people and 49% to be owned by foreign investors. This has seen the major shareholder with 74% stake, discussing with a number of possible foreign investors on the possibility of offloading his shares to others (Finance Manager, 2011). As a result, a strategy document alludes to the fact that Surface Investments (Pvt) Ltd will be listed on the Zimbabwe Stock Exchange by December 2014. (Finance Manager, 2011).

1.5 Statement of the Problem

The research was prompted by poor performance levels at Surface Investments Pvt Ltd in Zimbabwe. Table 1.3 shows that crushed seed was below the set target which was to achieve 600 metric tonnes of crushed seed per day.
Table 1.3: Average seed crushed per day (January 2010 – December 2012)

<table>
<thead>
<tr>
<th>Month</th>
<th>Average seed Crushed per Day (tonnes)</th>
<th>Target/day (tonnes)</th>
<th>Variance (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan - Mar 2010</td>
<td>560</td>
<td>600</td>
<td>-40</td>
</tr>
<tr>
<td>Apr - Jun 2010</td>
<td>230</td>
<td>600</td>
<td>-370</td>
</tr>
<tr>
<td>Jul - Sep 2010</td>
<td>320</td>
<td>600</td>
<td>-280</td>
</tr>
<tr>
<td>Oct - Dec 2010</td>
<td>586</td>
<td>600</td>
<td>-14</td>
</tr>
<tr>
<td>Jan - Mar 2011</td>
<td>311</td>
<td>600</td>
<td>-289</td>
</tr>
<tr>
<td>Apr - Jun 2011</td>
<td>455</td>
<td>600</td>
<td>-145</td>
</tr>
<tr>
<td>Jul - Sep 2011</td>
<td>560</td>
<td>600</td>
<td>-40</td>
</tr>
<tr>
<td>Oct - Dec 2011</td>
<td>588</td>
<td>600</td>
<td>-12</td>
</tr>
<tr>
<td>Jan - Mar 2012</td>
<td>593.7</td>
<td>600</td>
<td>-6.3</td>
</tr>
<tr>
<td>Apr - Jun 2012</td>
<td>592.9</td>
<td>600</td>
<td>-7.1</td>
</tr>
<tr>
<td>Jul - Sep 2012</td>
<td>598</td>
<td>600</td>
<td>-2</td>
</tr>
<tr>
<td>Oct - Dec 2012</td>
<td>599.5</td>
<td>600</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

Source: Surface Investments (Pvt) Ltd Periodic Production Statistics (Dec 2012)

Table 1.3 highlights the average seed crushed per day in the months falling in the period under study. The company has not been performing as per the standard set, i.e. achieving 600 metric tonnes of crushed seed per day. The company failed to achieve the target consistently but however at a reduced variance rate from July 2011 to December 2012.

Schuler, Galante and Jackson (1992) argue that organisations may improve their environment for achievement by making choices about for example, HR staffing, planning, training and development and labour relations systems that are consistent with the company strategy. This therefore means that HR objectives and policies must be integrated with the organisation’s strategic business objectives. When this is done, HRM will then become a true business partner in improving the organisation’s competitive advantage by helping achieve strategic objectives.
There is increasing attention in SHRM discourse about congruence or fit between HR practice and business strategy (Wei, 2006). The underlying assumption in the fit analyses is that the employment of effective HR practices and the design of an HR system compatible with the firm strategy are a *sine qua non* for the successful implementation of the organization’s business strategies (Lengnick-Hall & Lengnick-Hall, 1988). Fit is therefore a fundamental feature of SHRM, which connotes the utilization of human capital to enhance the achievement of company goals.

In view of the above, failure to realize set production target of 600 metric tonnes of crushed seed per day raises questions of the degree of complimentarity between HR strategy and business strategy and the implications for performance at Surface Investments (Pvt) Ltd over the period of the study.

### 1.6 Overall Objective

The overall objective of the study was to investigate the existence of fit between HR strategy and the business strategy at Surface Investments (Pvt) Ltd in the period January 2010 to December 2012 and the implications for organizational performance.

### 1.6.1 Specific Objectives

The specific objectives of the study were;

1.6.1.1 To assess the degree of fit between HR strategy and the overall business strategy at Surface Investments Pvt Ltd in the period January 2010 to December 2012.

1.6.1.2 To assess the impact on performance of fit (or lack of fit) between HR strategy and business strategy.
1.6.1.3 To make any relevant recommendations in the light of findings from the study.

1.7 Main Research Question

The main research question was: To what extent has there been a fit between the HR strategy and the business strategy at Surface Investments (Pvt) Ltd in the period January 2010 to December 2012, and what have been the implications for organizational performance?

1.7.1 Research Sub-Questions

The following were the research’s sub questions;

1.7.1.1 What was the degree of fit between HR strategy and the overall business strategy at Surface Investments Pvt Ltd over the period of study?

1.7.1.2 What were the implications for organizational performance of the existence (or absence) of fit between HR strategy and business strategy at Surface Investments (Pvt) Ltd?

1.7.1.3 What recommendations can be made following findings from this study?

1.8 Research Proposition

The study’s proposition was: There has been no fit between the HR Strategy and the business strategy at Surface Investments Pvt Ltd in the period January 2010 to December 2012 and this has contributed to poor performance over the period of the study in the form of failure to achieve set production targets of crushed seed.
1.9 Scope of the study

The study sought to investigate the existence of fit between HR strategy and the business strategy at Surface Investments Pvt Ltd in the period January 2010 to December 2012 and the implications for organizational performance. The study focused on the following sub-areas of HRM; human resource planning, recruitment and selection, training and development, succession planning, performance management, reward management, industrial relations management and HR value proposition. The study covers respondents drawn from Surface Investments (Pvt) Ltd, which is located in Chitungwiza Industrial site in Zimbabwe. Chitungwiza City is located in the southern side of the capital city (Harare) of Zimbabwe. In addition, Surface Investments (Pvt) Ltd is located in the south-western side of Chitungwiza town centre.

According to Wright (1992), SHRM literature identifies two kinds of fit namely horizontal fit and vertical fit. Vertical fit can be defined as the alignment of human resource management practice with the strategic management process of the organization. Vertical fit is important because it provides congruence between HR strategy and business strategy. This study focused on the vertical fit dimension as expounded in SHRM literature.

1.10 Significance of the Study

The research is meant to benefit the following:
This study will help the researcher gain further understanding and comprehension on the relevance of fit between HR Strategy and business strategy.
Other organizations in the sector will benefit from this research through getting in-depth knowledge of need for a fit between HR strategy and business strategy. This will help the sector improve its way of doing business and in particular, achievement of set goals.
The research has the potential to help management at Surface Investments (Pvt) Ltd in identifying the organization's strengths, weaknesses, opportunities and threats and thus help them adopt workable strategies. The research will also stimulate interest in policy makers, researchers and academics to recognize SHRM as a priority area of focus that can assist the organization to attain its goals.

1.11 Dissertation Outline

*Chapter One*: Discusses the background, operating environment, statement of the problem, objectives, research questions, research proposition, scope and the significance of the study.

*Chapter Two*: Reviews the literature relevant to the topic under study. The literature review provides points of reference for the discussion of results in chapter 4.

*Chapter Three*: Outlines the research methodology and ties the research process to the research questions, philosophies and approaches used in gathering research data.

*Chapter Four*: Presents research findings, and discusses the same.

*Chapter Five*: Provides the conclusions and recommendations drawn from the research findings. An area of further study is also presented in this chapter.

1.12 Chapter Summary

This chapter introduced the research study by laying the background to the operations of Surface Investments (Pvt) Ltd. It also gives an insight into operations of competitor companies. In addition, the chapter looked at the industry operating environment and performance of the industry in general. Furthermore, the chapter covers the introduction, background of the problem, statement of the problem, research objectives, research questions, research proposition, and justification of the research.
CHAPTER TWO

REVIEW OF LITERATURE

2.0. Introduction

Literature review is an account of what has been published on the subject area by accredited scholars, academics and researchers. It discusses published information in a particular subject area, and sometimes information within a certain time period (Anson & Schwegler, 2007). This chapter reviews literature on SHRM and discusses the concept of fit and the impact of fit or lack of fit between HR strategy and business strategy on company performance. The chapter explains strategic management in brief, traditional HRM in relation to SHRM, human resource planning, recruitment and selection strategy, training and development, succession planning, performance management, reward management, industrial relations management and the HR value proposition. In addition, it highlights the role of the SHRM professional. The literature review provides a useful platform and framework for the discussion of results in chapter 4.

2.1 Strategic Management

There are many definitions of strategic management. According to David (1999) strategic management refers to the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Hill and Jones (2001) concur in that they regard strategy as an action that is taken by a company to ensure that its set goals and objectives are achieved. Therefore one can conclude that strategic management is a process that concerns itself with the long term survival of a business.
2.1.1 Benefits of strategic management

According to Hill and Jones (2001), some of the benefits of strategic management include the following;

i. It provides long-term direction in planning- thus an organization takes hold of its future through being pro-active

ii. It helps the organization in adapting to an increasing rate of change and this is because it constantly scans the environment

iii. It provides the organization with a competitive advantage in a high-risk environment

iv. It assists the organization in achieving a more effective organization

v. It provides the organization members with clear direction as seen through the vision, mission statement and objectives.

2.2 Model of strategic management

According to Draft (2001) strategic management process involves five steps which include mission and goals, environmental analysis, strategic formulation, strategy implementation and strategy evaluation.

The first phase in strategic management is concerned with the reviewal of the current situation in relation to the vision, mission and goals and objectives of the organization. According to strategic management scholars, an organisation’s mission gives a picture of the direction in which the company is heading towards. Daft (2001) pointed out that goals simply denotes the planned outcomes of a firm. They can either be short, medium or long term in nature. Throughout a certain period, the firm will be working tirelessly to realise them.

Environmental analysis is concerned with the strengths, weaknesses; opportunities and threats (SWOT) of an organization (McLaughlin & Clark, 1988). Strategy implementation is generally concerned with the methods which are
employed by executives when implementing a preferred strategy. In other words, it entails events or activities which have to do with the organisation’s style of management, the general structure of a firm and general control systems of the company. According to scholars of strategic management, leadership is the most crucial and challenging part of the strategic implementation process. Lastly, Wheelen & Hunger (1995) argued that evaluation of the strategy is mainly concerned with the level at which the change and performance match the planned change and outcome.

2.3 Hierarchy of strategy

According to Daft (2001) there are various levels of strategy namely corporate, business and the functional level strategies.

2.3.1 Corporate-level strategy

According to Daft (2001) corporate-level strategy gives a picture of a corporate direction with regards to its belief on growth and the administration of all of its business units. It also defines the strategic business units in which the corporate is interested in and those to be released or shed off. When coming up with a corporate strategy, executives must be clear about the priorities and the required resources. The resources if acquired will assist the business to perform as per the set standard and to achieve the desired outcomes (Champy, 1996).

2.3.2 Business-level strategy

Strategic management scholars argue that business level strategy deals with decisions and actions pertaining to each strategic business unit (Miles and Snow, 1984). The main objective here is to make the strategic business unit more competitive in the market. A strategic business unit must have a strategy that suits both the environment and nature of business it is involved in. Porter (1985)
made an important contribution in strategic management. He highlighted that three competitive strategies which include cost leadership, differentiation and focus are key to strategic management.

Low cost leadership strategy has the aim to improve the business’s market share by having the lowest unit cost and price compared with competition. An alternative to cost leadership strategy is differentiation. Differentiation requires the management to differentiate their goods and services from those offered in the market. In cases where differentiation is done properly, clients will be prepared to pay an extra cent for the product. Focus strategy requires the management to focus on a niche market or a specific market (Miles and Snow, 1984).

Surface Investments (Pvt) Ltd adopted the cost leadership strategy. The low-cost leadership strategy attempts to increase the organization’s market share by having the lowest unit cost and price compared with competitors. With high automation of the plant, it meant that the labour force will be highly reduced with production cost and losses highly minimized. This would result in relatively low cost products as compared to similar products in the market.

2.3.3 Functional level strategy

According to Miles and Snow (1984), functional level strategy has to do with major functional operations in the business unit. These entail procurement, research and development, ICT, marketing, manufacturing, finance and human resources. Functional level strategies are concerned with how different functions can support the business strategy and with an ultimate goal of attaining the mission and goals and objectives of the company.

2.4 Traditional HRM versus SHRM

According to Beaumont (1993) SHRM relates to a strategic move towards the management of human capital of a company. SHRM is concerned with ensuring
that the human resource is employed in a way conducive to the accomplishment of organizational goals and objectives (Balking, & Cardy, 1995).

According to Cappelli (1999) SHRM literature identifies a number of key areas in SHRM, and some of them include, human resource planning, recruitment and selection strategy, training & development, succession planning, performance management, reward management and sound industrial relations management. The identified key areas will be discussed in the paragraphs below;

2.4.1 Human Resource Planning

According to Jackson and Schuler (1990), human resource planning is concerned with the development of strategies that address the size and skills of the workforce as per the needs of the organization. Human resource planning assists the organizations to forecast and optimize the deployment of the personnel to rally business requirements and objectives and to respond to the changes in the business environment for instance technology and competition. This entails conducting competency and skills analysis of the available personnel, conducting human resource forecasting, and taking appropriate actions to ensure the adequate supply of personnel.

Craft (1980) stated that organizations that practice human resource planning are more likely to be aware of the characteristics they are looking for in applicants, and may be able to improve the quality of hiring decisions. This will assist to engage the requisite quality of personnel in the organization.

Jackson and Schuler, (1990) states that environmental instability necessitates a need for change in the nature of human resource planning. Planning must be done in consultation with line managers who are aware of their actual needs. In other words, there is need to interact with each other more often. To address
human resource needs properly, there is need to craft both long term and short term plant/solutions.

Noe and *et al* (1994), argues that in situations where human resource planning, is implemented properly, it creates the kind of lead time required to ward off problems that might threaten the company’s competitive position in future. Thus, human resource planning is possibly the most critical aspect when considering human resource strategies as means of gaining a competitive advantage.

### 2.4.1.1 Importance of Human resource planning (HRP)

According to Jackson and Schuler (1990), HRP is crucial to an organization. The human resource plan is part of the overall business or corporate plan.

HRP is a forward looking process which determines future requirements and quality of personnel to attain organizational goals. The process entails planning and forecasting of human resources basing on organizational needs. It is important to have the right manpower and at the right time and place if organizational goals are to be achieved (Benni and Casson, 1984). Human resource plan is an integral part of the business plan of the organization. In order to come up with a relevant HRP, it is necessary to consider the organization’s goals and objectives in the period concerned (Jackson and Schuler, 1990).

In order to come up with an appropriate HRP, it is important to consider both quantity and quality. Organizations base on the human resource management system for this purpose. In the current environment where technology is key, human resource management system is usually a computer based system which provides all the necessary data in relation to the present human resource inventory (Jackson and Schuler, 1990).
The system makes available all the details required i.e. existing human resource with their educational background competencies and skills, experience, training and succession plans in place. For an organization to prepare a proper human resource plan, the aforementioned details are useful.

HR strategy scholars argue that the objective of an HRP system is to realize optimum utilization of existing human resource and to be highly prepared in terms of future requirements (Jackson and Schuler, 1990).

According to Jackson and Schuler (1990), the HRP system also help in growing the efficiency of an employee by providing opportunities which include transfer with promotion, acting on a job and rotation. The plan facilitate that individual employee be clear on their duties and responsibilities necessary for the organization to realize its mission.

Human resource planning influences all the other HR strategies for example recruitment and selection, training and development, succession planning, performance management, reward management and an industrial relations management. All the other human resource strategies are an off shoot of human resource planning. Figure 2.1 gives a picture of how human resource planning influences other human resource strategies.
2.4.2 Recruitment and Selection Strategy

According to Cappelli (2001), recruitment is a process that has to do with the identification of potential candidates required for an existing or anticipated job opening. In the process, the management makes an effort to ensure that relevant information is made available to potential applicants. The information may be related to qualifications and the career opportunities available at the company. On the basis of human resources available and also considering a succession
plan in place, the management may be able to make a decision with regards to filling up the vacancy. The job opening may be filled up from within the organization or manpower may be sourced from external sources. The decisions will be made basing on the company’s human resources policies.

Another significant factor in the success of recruitment has to do with the offer in terms of total package. The total package must be competitive when considering what is offered in the market for a similar post (Breaugh and Starke, 2000). In addition, a good recruiting system has an effective pre-screening exercise of candidates. Prescreening helps to weed out applicants who are outside of the organizational requirements. Lastly, recruitment should make sense in terms of the organization’s strategic plan (Cappelli, 2001).

Many organizations consider filling vacant positions from within i.e. considering promotion and transfers (Barber, 1998). A number of advantages are realized when an organization recruit from within for instance, the organization can capitalize on the investment done when the incumbents were trained by the organization. (Breaugh and Starke, 2000).

Succession plan is normally considered when recruiting from within. Promotion also rewards past performance and reinforces positive employee performance. It provides employees with an opportunity to develop and being considered for higher roles and as a result, it boosts morale and increase loyalty (Barber, 1998).

In a situation where no suitable candidates are available, the organization will have to consider recruiting from external sources. The organization can advertise for the position through the newspapers and magazines. Now days, the internet plays a significant role when considering recruiting from external sources. Organizations also make use of recruitment agencies and if done properly, correct candidates may be attracted (Anderson and Ostroff, 1997).
Selection is another key element in recruitment of candidates. It involves selecting the best candidate for the position and facets like the requisite qualifications and competences required for the job plays a key role (Sylva and Mol, 2009). Selection process plays significant role in the organization’s effectiveness. It is the quality of human resources selected to work in the organization that decides the competitiveness of the firm (Sylva and Mol, 2009). Thus, organizations that attracts and engages the best talents have an advantage over competition.

### 2.4.3 Training and Development

According to Collins and Holton (2004) organizations must manage resources which include money, equipment, information, and human capital. Investments in equipment can speed up processes and may reduce process loss. Information is critical for organizational success. Thus, information on commodities, prices, and customers are important to all companies. In addition, investment in learning and development can make employees highly efficient in their jobs, and may directly contribute to achieving the desired outcomes.

Burke and Day’s (1986) emphasize the importance of employee training. They further highlight that the intention of training and development programs is to ensure that the trainees are equipped with relevant skills that will see the company achieving its set targets and desired outcomes.

Companies that invest in improving employee skill will usually attain a high return on investment. Shareholder value will be increased. Training needs identification is key if the training is to be effective. Most companies use training needs analysis questionnaires to identify training needs. However, if training is conducted without following the correct system of identifying the training needs, then resources may be wasted as the gaps may remain without being closed and
the consequence being that organizational desired outcomes may never be achieved (Watad & Ospina, 1999).

Ginsberg (1997) argues that organizations must design training more carefully. It is important to ensure that the correct training needs are identified and incorporated into the training calendar for a certain period. When this is done, the organization is more likely to achieve improved performance (Partlow, 1996). In situations where inappropriate training needs are collected, resources like time and finances may be lost simply because the training may be emphasizing on wrong issues and ultimately training gaps may remain not addressed (Tsaur and Lin, 2004). On the job training is critical if the organization is to achieve better results. On the job training ensures that the trainees get proper skills on how to carry out a certain function and in-depth knowledge on certain tasks is acquired instantly (Deming, 1982). In most instances, employees get more understanding on how to carry out certain tasks from experience rather than from theory.

Trainers must be wary of the delivery system if they are to achieve their goal of imparting the knowledge and skills to the trainees as per the identified performance gaps (Braga, 1995). It is therefore critical for a trainer to ensure that interest of trainees is kept high (Seamen, 2005). If attention and interest of trainees is guaranteed, then the objective of imparting knowledge will be achieved. This has a bearing on performance and return on investment at the end.

Employees who are not trained in any way do not perform as per expectations (Garavan, 1997). It is therefore of paramount importance for an organization to ensure that its employees get the right training that addresses specific skill deficiencies. If this is done, optimal performance may be achieved (Heras, 2006).
2.4.4 Succession Planning (SP)

Succession planning provides important information for decision making to the management (Huang, 2001). With an effective succession plan in place, the organization can be able to train its workforce for the future needs and with regards to skills and competencies. Succession planning scholars highlighted that, succession planning has to do with proper planning regarding the number and quality of the staff required to take care for future organizational needs (Sambrook, 2005).

According to McQuade (2007) implementation of succession plan results in proper identification of training needs and development of staff capabilities. Competency models based on succession planning are important because without them, it is difficult to relate main competencies of the organization to job competencies; clearly define talented workers and clearly define skills required in the present and future needs of an organization (Rothwell, 2005).

2.4.5 Performance Management

Performance management is the process of creating a work environment in which workers are enabled to perform to the best of their abilities. It is a medium by which the management communicates what is expected from employees and gives feedback on how they are achieving the targets (CIPD, 2009). Properly managed performance management system results in a shared understanding of the organization's expectation.

The management must adopt a performance management system that will facilitate continuous review and ongoing development of the organization. There are a number of elements associated with performance management and some of them include performance appraisals and reward management (Ibid).
Many organizations use performance appraisal as a way of measuring performance (Armstrong, 2001). The purpose of measuring performance is to identify on why things are going in a certain way and then device systems to take care of the established trend (Cash, 1993). A performance appraisal ensures that the past performance is assessed and future performance then established and agreed (Armstrong, 2001). Performance appraisal must be a common phenomenon at an organization. According to Cash (1993), performance appraisal system provides management with a way of effectively identifying and evaluating the present and potential capabilities of the existing manpower. Employees should be appraised so often and many organizations appraise employees at least twice a year (Ibid).

According to Davis (1995), performance appraisal has contributed significantly to achieving a competitive advantage for an organization. Organizations that implements an effective performance appraisal system have motivated staff and their performance is usually above board (Clinton, 1992)

2.4.6 Reward Management

Reward gives a picture of all the tangible benefits and provisions an employee obtains from an organization (Milkovich and Newman, 2004). Reward management scholars argue that rewards indicate the benefits received by workers from their organizations and for some these are a source of commitment and loyalty. According to Stone (2010) rewards include cash, non-cash and psychological payments provided by an organization in return of their contribution. However, financial incentives are not always welcomed by all employees and material incentives generally do not tend to satisfy the basic psychological needs of employees (Ibid).

According to Buch (2006) four categories of rewards, for instance, intrinsic, extrinsic, social and the organizational remuneration are identified. Intrinsic
rewards have to appeal to the internal feelings of an employee. This is seen through satisfaction, involvement, growth, autonomy and self competence an individual experience in his employment life (Allen, 2004).

Extrinsic rewards have to do with organizational participation and performance and sometimes they are further categorized into direct and indirect form (Ibid). Larson (2003) argues that direct reward involves a small token of appreciation and indirect rewards have to do with the financial security and better future prospects for an employee.

Social rewards are associated with team based projects that reinforce the employees to interact with co-workers in order to obtain the shared goal outcomes (Ibid). Organizational rewards refer the ability of an organization to foster activities that involve the probability of increased profits, implementation of extensive training and implementation of a good communication system at an organization.

2.4.7 Sound IR System

According to Inoue (1994) there is no exact definition for a sound IR system. In other words; it can be explained in different ways. Kochan (1992) argued that a sound IR system involves an environment where harmony prevails and conflict is limited. This kind of environment will foster an enabling environment which will then act as an appropriate platform for high productivity. High productivity will be realised because of high motivation and loyalty levels among the staff members. This has a bearing on mutual trust and thus a sound IR system prevails.

IR is characterised by regulations, systems and mechanisms which govern the relationship between the employer and the workers. Thus, IR seeks to foster effectiveness of firms and also to improve impartiality and fairness at an organisation. The main goal of a sound IR system will be to ensure that disputes
are resolved in a more conciliatory manner and also that they are highly minimised. If this is achieved, harmony will exist and performance may be improved. The regulations, systems and mechanisms of an IR system are embedded in country statutes, practices and different agreements. These help to build regulations and systems to be followed and binding in a specific country and industry.

As highlighted by Inoue (1994) IR operates at both national, industry and at the company levels. Aspects which echo a sound IR system are in essence not the same. IR operates to create labour relations policies through a relevant statutory instrument which is done through an Act of Parliament. This is IR at national level and it entails a tripartite process which involves the state (at national level), employers and employees and their representations (at industry level). At industry level IR is characterised by more collective bargaining and this will be between organisations as an association and workers who will be represented by trade unions usually registered for that industry.

Kochan (1992) argued that a sound IR at the company level builds trust and confidence between the management and workers. It may also boost confidence between workers and management. However, effectiveness at one level may naturally have some effects on the other (Kochan, 1992).

According to Kochan (1992) a sound IR climate at an organisation is essential. High performing organisations are characterised by a sound IR environment which has more trust and loyalty. In addition, high productivity depends on the level or degree of motivation of staff at that company. Thus, the labour management relations should be prepared to foster a climate which is appropriate to securing the cooperation required for high productivity growth. In general terms, a sound IR climate plays a pivotal role in securing approval by workers of the need to achieve high productivity and performance.
2.4.8 HR Value Proposition

Ulrich and Brockbank summarized an approach that helps HR practitioners to add value to the business (Ulrich and Brockbank, 2005). They argued that HR practitioners add value when their work assists others to achieve desired goals. HR value proponents highlighted that the HR value proposition refers to the situation where the human resource team and practices that produce positive results for stakeholders for instance employees, suppliers, customers, and shareholders (Ibid).

The Ulrich and Brockbank HR Value Proposition model is composed of five elements and forms an integrated plan for the transformation of human resource into an associate that adds value. Ulrich and Brockbank have identified a criterion for human resource transformation. These involve:

1. Knowing the external business realities
2. Serving external and internal stakeholders
3. Creating HR practices
4. Building HR resources
5. Ensuring HR professionalism (Ulrich and Brockbank, 2005)

Ulrich and Brockbank argue that HR’s role must be changed in order to bring value to all the stakeholders namely customers, suppliers, employees and investors (Wiley & Sons, 2000). Transformation has six implications for human resources and some of them include:

1. HR work begins with the business and not with HR. Human resources must be able to show that its activities create value for key stakeholders
2. HR must have a link with the market and this means that, there must be a direct link with the customers who enjoy goods and services of the organization.
3. Human resources must be modeled to ensure that they generate a competitive advantage for the organization. It must be able to create
employee abilities and organizational capabilities that are substantially better than competition.

4. Human resource practitioners must ensure that the practices are in line with the requirements of internal and external stakeholders

6. Human resource must be able to detail on how they provide a distinctive and powerful perspective of the linkages between employee commitment, customer attitudes and investor returns (Ulrich and Brockbank, 2005).

The comprehensive and essential Human resource competencies identified by Ulrich and Brockbank articulate what HR practitioners must do for them to deliver stakeholder value (Wiley & Sons, 2000).

2.5 SHRM and Business Strategy Fit

The modern business environment which is characterised by high globalization, excessive organizational complexity, high competition and progressive ICT, is prompting company executives to be involved in SHRM. Thus, the emergence of SHRM is more and more adding value to companies (Inyang, 2004).

Strategic management scholars consider strategy as the process by which the ultimate vision, mission and goals and objectives of a firm are set, implemented and supervised to ensure that accomplishment is achieved (Tichy, Fombrun, & Devanna, 1982). Organisations must pursue chosen approaches to attain competitive advantage. This can be achieved if SHRM is employed mainly as a strategic business associate. This effectively means that SHRM must be part and parcel of the business strategy.

According to Schuler & Jackson (1999) fit generally involves issues to do with alignment of HR practices, systems and events with the business strategy. However, HR practitioners ought to be highly involved when business strategy is being developed. This will ensure that the HR strategy will also be in line with the
business strategy. Thus, teamwork is of utmost importance when developing business strategies.

Growing attention is being given on issues of fit between HR strategy and business strategy (Wei, 2006). The fundamental confirmation in the fit analyses is that HR systems and practices must be compatible with the business strategy and only if this is achieved can organizational goals be attained (Lengnick-Hall, 1988). Thus, fit is therefore an essential aspect of SHRM, which is related to the efficient and effective deployment of human capital to improve the attainment of the organizational desired outcomes.

According to Wright & McMahan (1992) two types of fit namely horizontal and vertical fit are identified by scholars in the area. Horizontal fit generally refers to the congruence among different HRM practices and vertical fit denotes the alignment of the HR strategy with the business strategy (Schuler & Jackson, 1987). Both types of fit (vertical and horizontal fit) are necessary if an organisation is to be highly competitive and achieve differentiation which is key to super performance.

SHRM has more to do with integrating HR practices with the business strategy. Both the vertical and horizontal fits create the congruence between business strategy and human resource policies which jointly improve the achievement of the set performance target. In other words, SHRM help the organization to attain strategic fit with the market environment.

Furthermore, Walker (1992) pointed out that HR strategy is in the same family with ICT strategy, marketing strategy, manufacturing strategy and financial strategy. However, the only difference is that HR strategy is linked with other functional strategies. This means that for other functional strategies to function optimally, they need support of HR strategy. If the HR strategy is developed in
isolation of other functional strategies, then there may be little or no chances of achieving organisational desired outcomes.

### 2.6 Competitive strategies

Competitive advantage model argues that employers have three basic strategic options in order to gain competitive advantages: cost reduction, quality enhancement, innovation (Schuler & Jackson, 1987). Among the key business issues that may impact on HR strategies include proposals on increasing competitive advantage through innovation leading to product/service differentiation, productivity gains, improved quality and cost reduction (Armstrong, 2009).

Business strategies may be influenced by HR strategies which are concerned with making business strategies work (Wright and Snell, 2005). The competitive strategies tend to apply Porter’s (1985) ideas on strategic choice. Porter identified three key basis of competitive advantage: cost leadership, differentiation through quality and service and focus on ‘niche’ markets. Schuler and Jackson (1987) used this as their model of SHRM where they defined the appropriate HR practices and policies to fit the generic strategies of cost reduction, quality enhancement and innovation. They argued that business performance will improve when HR practices mutually reinforce the organization’s choice of competitive strategy. Thus, in Schuler and Jackson’s model, the organization’s mission and values are expressed through their desired competitive strategy.

This in turn leads to a set of required employee behaviors, which would be reinforced by an appropriate set of HR practices. The outcome of this would be desired employee behavior that is aligned with the corporate goals, thus demonstrating the achievement of vertical integration.
In view of this concept, Surface Investments (Pvt) Ltd adopted the cost leadership strategy. The low-cost leadership strategy attempts to increase the organization’s market share by having the lowest unit cost and price compared with competitors. With high automation of the plant, it meant that the labour force will be highly reduced with production cost and losses highly minimized. This would result in relatively low cost products as compared to similar products in the market.

2.7 SHRM and the Resource Based View of a Firm

The RBV of the firm is based on the ideas of Penrose (1959), who sees the firm as an administrative organization and a collection of productive resources. A firm that obtains and develops the human resource can achieve competitive advantage (Scullion, 2001). Other researchers have similarly advocated the need to align HR systems with the firm’s strategy to create competitive advantage (Purcell, J. (2001).

The underlying assumption of the RBV of the firm is resource heterogeneity. This means that the resources that different firms own are unlikely to be identical (Monks, & McMackin, 2001). Accordingly, these resources owned by the firm that help it achieve sustained competitive advantage must meet four requirements.

The resources must be;

i. valuable,
ii. rare,
iii. inimitable, and
iv. non-substitutable.

This follows therefore that if the resources a firm employs cannot be easily imitated by another firm or substituted by similar resources another firm employs...
the firm can easily take advantage of this to gain competitiveness not simultaneously pursued by other firms (Scullion, 2001).

Kamoche (1996) argues that human resources meet these four requirements. Others have equally shown that the linkage of organizational resources and firm strategy cannot be easily identified and imitated by other firms due to the social complexity and causal ambiguity (Monks, & McMackin, 2001). Thus, the integration of human resource practices and policies with the appropriate strategy can generate a sustained competitive advantage for the firm (Wei, 2006).

The firm’s HR policies, practices and strategies are a unique blend of process, procedures, personalities, styles, capabilities and organizational culture, which are difficult to imitate. As Purcell, et al (2003) point out, the values and HR policies of an organization constitute important non-imitable resources, as long as they are enacted and implemented effectively.

One of the most important factors of competitive advantage is the ability to differentiate what a business supplies to its customers from what is supplied by its competitors. Purcell et al (2003) maintain that such differentiation can be achieved by having HR strategies, policies and practices which ensure that:

i. The firm has higher quality people than its competitors.

ii. The unique intellectual capital possessed by the business is developed and nurtured.

iii. Organizational learning is encouraged, and

iv. Organizational specific values and a culture exist that bind the organization together [and] give it focus.

Kamoche (1996) argues that the RBV of the firm is concerned with developing strategic capacity, making adequate investment in the organization’s human
capital to add more value to the firm. According to Armstrong (2004), the aim of RBV is to improve resource capability - achieving strategic fit between resources and opportunities, and obtaining added value from the effective deployment of resources. It is generally acknowledged that the human resource is an organizational asset, and when it is adequately trained and effectively deployed can contribute immensely to the bottom line. Aligning the HR systems with business strategy is therefore a *sine qua non* for organizational competitiveness (Scullion, 2001).

Business strategies designed to achieve organizational objectives are not likely to succeed when HRM is not involved in both strategy formulation and implementation (Scullion, 2001). Organizations must create the conducive environment for integrating HRM with business strategy since the HR supplies the energies for driving organization strategies. Wei (2006) notes that the HR system and practices are crucial in facilitating the achievement of business strategy through the management of people.

SHRM has a positive effect on business performance (Scullion, 2001); SHRM can help an organization to allocate its human resources more effectively, promote operating efficiency, and encourage creativity and innovation (Purcell, J. (2001); it enables the firm cope more effectively with the challenges of environmental change (Scullion, 2001); encourages a more proactive management style, transmits organizational goals clearly and motivates greater involvement by line managers in HRM concerns (Purcell, J. (2001); enhances organizational morale, financial performance, and overall organizational performance (Scullion, 2001); brings about commitment, customer satisfaction and innovation (Wright & Kehoe, 2008); enhances market value per employee (Monks, & McMackin, 2001); creates value for customers and stakeholders (Ramlall, 2006); and brings about return on equity (Scullion, 2001).
Garavan (2007) sees strategic human resource development as contributing to the creation of firm-specific knowledge and skill when it is aligned with the strategic goals of the organization. Increased productivity has also been noted in small enterprises that align or integrate their formal and informal HR practices and strategies with the business strategies of the organization (Purcell, J. (2001).

2.8 Role of SHRM Practitioners

An HR practitioner has more challenging roles in SHRM than in HRM, which is more worried with administrative and not strategic issues. SHRM is value adding and it aligns HR practices with business strategy and this increases an organization’s competitive advantage.

To be a competent strategic partner, the HR practitioner must have the capacity to add value to the firm (Lawler, Ill and Mohrman, 2003).

According to Rowden (1999) the HR function must desist from being a staff function that delivers pre-packaged HR services to a service that help managers generate tailored strategic plans to manipulate the efficiency of company performance. The HR practitioner can participate in the formulation of strategy and providing the human resource needed support in the organization. Good human capital management is a prerequisite for successful execution of business strategies.
2.9 Conceptual Framework

Basing on findings from literature review, a conceptual framework can be developed as highlighted in figure 2.2

![Conceptual Framework Diagram]

Source: Researcher’s own construction from literature reviewed
2.10 Chapter Summary

The subject of SHRM was introduced and discussed in detail. Both types of fit (horizontal and vertical) were described in detail. The chapter also noted that the emergence of SHRM created competitive advantage for organisations and this is important for high performance. Key issues involved in HR strategy namely, human resource planning, recruitment and selection, learning and development, succession planning, performance management, reward management and a sound IR strategy were explained in detail and were seen to be anchors for high organisational performance. It was also noted that the organisation has more chances of accomplishing desired goals when its HR strategy is linked with both the business strategy and the other functional strategies namely ICT, marketing, research and development, manufacturing, financial and procurement strategies. The RBV was introduced and explained in detail. Thus, it was noted that the human capital is key to any organisation and its development by improving employee skills is of paramount importance. Lastly, it was stressed that the alignment of the HR strategy with the business strategy of an organisation is key if that organisation is to be a high flyer in the market.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter gives a detailed analysis and justification of the research methodology adopted. The research methodology that was used to address the objectives of the study comprises the methodological framework which explores the philosophies that were used in this research, research design and type of research, population, sampling, data collection, data analysis, reliability and validity of the study.

3.1. Research Design

Research design highlights structure to the study and the phenomenon. It is a starting point for the case selection, development of the working definition and the empirical data collection. This study analyzed both early and contemporary approaches to research so as to establish the appropriate approach to the development of knowledge and theory and determine a testing process in the research. The two earliest approaches are epistemological and ontological schools of thought. They include the concepts of positivism and interpretivism and the quantitative and qualitative debate. The other approaches to be analyzed are Deductive versus Inductive theory as well as Nomothetic versus Ideographic approaches (Lancaster, 2005).

3.1.1. Research Approach

3.1.1.1. Ontological Considerations

Lancaster (2005) suggests that ontological approach focuses on the nature of social entities, whether they are objective and independent from social actors or
are built up from perceptions and actions of social actors (Bryman and Bell, 2003). Thus, ontological approach consists of development of views on phenomena without relating them to some body of knowledge.

3.1.1.2. Epistemological Considerations

Epistemology refers to a branch of philosophy which studies the nature of knowledge and the process by which knowledge is acquired and validated (Vermeulen, 1998). “An epistemological issue concerns the question of what should be considered as acceptable knowledge in a discipline” (Bryman and Bell, 2003, p.13). The authors consider the fundamental issue of this approach as whether the social world can be studied using the methods, principles and procedures used in the natural sciences. The reason for choice of these approaches stems from the perceptive that the business world is real and one can get into it, investigate and draw up conclusions. The epistemological position would be known as positivism where methods of the natural sciences are applied to the study of social reality.

3.2.1. Research Philosophy

3.2.1.1. Positivism

Vermeulen (1998) argued that, in positivism, the social and physical reality is free of those who observe it, and that observations of this reality may comprise scientific knowledge. Positivism searches for causal explanations and the creation of elementary laws through scientific analysis.

3.2.1.2. Interpretivism

Bryman and Bell (2003) argued that interpretivists assert that only through the subjective interpretation of and intervention in reality can that reality be fully understood. Saunders et al. (2003) believe that the social world of business and management is far too complex to lend itself to theorizing by definite ‘laws’ in the
same way as the physical sciences. Thus, if such complexity is reduced to a series of law-like generalizations, rich insights into this complex world is lost.

According to Leedy and Ormrod (2001) quantitative research is used to answer questions about relationships among measured variables and with the purpose of predicting and explaining the phenomena. Miles and Huberman (1994) highlighted that sometimes qualitative research focuses too closely on individual results and it may fail to make connections to larger situations / possible causes of the results. Quantitative research, on the other hand, often forces responses or people into categories that might not fit in order to make meaning (Ibid).

Scholars who support qualitative methods believe that qualitative data allows one to follow events sequentially in a way that allows one to establish relationships between such events. Good qualitative data assist researchers get beyond initial conceptions and to generate or revise conceptual frameworks (Miles and Huberman, 1994). Miles and Huberman (1994) argued that rather than discounting each approach for its drawbacks, researchers should find the most efficient ways to incorporate elements of both to ensure that their studies are precise and thorough. Choices on which kind of research method to employ may be based on the researcher’s own knowledge and inclination, the population being researched, time, and other resources that may be available (Hathaway, 1995).

The research was more qualitative in nature and less quantitative hence the development of a research proposition as opposed to the research hypothesis of the quantitative approach. More of qualitative approach is appropriate for the phenomena under study, which focuses on human perceptions within a social setting. In finding out on the existence of fit between HR Strategy and Business strategy at Surface Investments (Pvt) Ltd, different individuals within the company may hold multiple perspectives about the research.
3.2.1.3. Deductive and Inductive Theories

According to Durrheim (1999) deductive approach to research uses empirical observation to test theory or hypotheses. Lancaster (2005) argued that the first step in deductive research is the creation of theory or hypotheses. Leedy and Ormrod (2001) said that deductive logic starts with one or more premises which are self-evident and widely accepted truths. From the premises reasoning then proceeds logically toward true conclusions.

Inductive theory gives contrasting views to deductive theory. It also starts with an observation, which is used to draw conclusions about entire classes of objects or events (Leedy and Ormrod, 2001). Lancaster (2005) argued that, a researcher develops hypotheses and theories with a view to explaining empirical observations of the real world.

For this research, the starting point is a deductive approach. According to Saunders et al. (2003) this approach “….will link your research into the existing body of knowledge in your subject area, help you to get started and provide you with an initial analytical framework” (p.389). The study used the deductive approach because it allows an exploration of the theory underpinning the subject of the research. The approach links the research into the existing body of knowledge in the subject area.

3.2.1.4 Nomothetic versus Ideographic Research Approaches

According to Lancaster (2005) nomothetic methods, “…include the more highly structured research methodologies which can be replicated and controlled, and which focus on generating quantitative data with a view to explaining causal relationships” (p. 27). Nomothetic research approaches use correlation, hypothesis testing, significance levels, random sampling, correlation, test reliability and validity for data analysis (Vermeulen, 1998). Ideographic research involves an intensive study of the characteristics and behaviours of individuals as
a way of understanding and evaluating them in the situation in which they live (Vermeulen, 1998).

### 3.2.2. Research Methods

Mourton (2001) argued that a research design serves the purpose of planning the research project and enhancing the validity of the research findings by providing the research project with a specific structure. This therefore means that a research design is a plan which is used to gather data and answer the research question. These consist of case studies, experiments, forecasting, subjective research, action research and surveys.

#### 3.2.2.1. Case studies

Zikmund (2003) argued that case studies involve an attempt to explain relationships that exist in reality and very often in a single organization. Thus, case studies are considered to be viable where it is necessary to study the phenomenon in its natural setting. The disadvantage of case studies is that they are normally restricted to a particular organization and it is not easy to generalize the findings (Bryman and Bell, 2003).

#### 3.2.2.2. Experiments

Bryman and Bell (2003) argued that in a laboratory experiment, the researcher is permitted to classify relationships between variables. These variables are analyzed using quantitative techniques with an idea to make general statements applicable to real-life situations.

#### 3.2.2.3. Forecasting

According to Neuman (2003), forecasting research refers to the use of techniques to make predictions about likely future events. Some techniques that
are used include regression analysis and time series analysis. According to Bryman and Bell (2003) the drawback paused by this method is that the researcher cannot produce a correct picture of events in the future but can only produce close to reality scenarios.

3.2.2.4. Subjective Research

Research scholars argue that subjective research involve speculative stances (Zikmund, 2003). A merit for this approach is that new theories can be created. However, there is a high possibility of bias as the approach is highly subjective.

3.2.2.5. Action research

Action research is concerned with developing an outcome which is close to reality and building a theoretical knowledge base (Lancaster, 2005). Action research is generally limited to a single organization making it difficult to generalize findings. There is also an opportunity for researcher bias.

3.2.2.6. Surveys

According to Bryman and Bell (2003), a survey permits a researcher to study more variables at one time than is typically possible in laboratory or field experiments. Data can be collected about real world environments. When compared to other research methodologies, this has proved to be the most suitable when dealing with a causal effect relationship. It clarifies the dependent, independent, and extraneous variables. When using the survey method, there are sources of bias such as the possibly self-selecting nature of respondents, the point in time when the survey is conducted and in the researcher him/herself through the design of the survey itself. A key weakness is that it is very difficult to realize insights relating to the causes of or processes involved in the phenomena measured (Lancaster, 2005).
This study used the survey method because of the advantages highlighted above. Since this study was to establish the existence of a fit between HR Strategy and Business Strategy at Surface Investments (Pvt) Ltd in the period January 2010 to December 2012, a survey method enabled the researcher to obtain views from a large group of people at one point in time through the questionnaire. The survey method permitted more variables to be studied at once.

3.3. POPULATION

According to Saunders et al. (2003) population is defined as the full set of cases from which the sample is taken. In addition, Welman and Kruger (2002) define it as an object which is being studied. It can be companies, events, individuals, human products or the conditions to which they are exposed to. In this study, the population consisted of 500 employees at Surface Investments (Pvt) Ltd.

3.4. SAMPLING

Wegner (1999) defines sampling as the process of selecting a representative subset of observations from a population to determine the characteristics of the random variable under study. According to Cooper and Schindler (2006), sampling enhances the speed with which information is available and it plays an important role in the process of designing a questionnaire. Saunders et al. (2006) argued that a sample may be appropriate where there are time constraints or where it would not be possible to survey the whole population. Due to limited time and resources, it was therefore not impossible to include all the employees at Surface Investments (Pvt) Ltd in the research and hence samples were drawn from Surface Investments (Pvt) Ltd employees.
3.4.1. Sample Size and Justification

A sample size of fifty (50) employees was found to be representative of the population of five hundred (500) employees at Surface Investments (Pvt) Ltd. This was drawn from the managers, middle management and professional / skilled employees of Surface Investments (Pvt) Ltd. Questionnaires were distributed to the sample for completion. The sample size was based on the study population. This sample is large enough to reflect the opinion of the population. This is supported by Griffin and Hauser (2008) who determined that the sample size of 30 respondents would provide a reasonable starting point. This number was also corroborated by Saiful (2010) who stated that a sample size larger than 30 and less than 500 is appropriate for most research. In this regard, the researcher preferred a sample size as proposed by Saiful (2010) because of easy of administration.

Table 3.1 Research Population and Sample

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Target Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Middle Management</td>
<td>81</td>
<td>25</td>
</tr>
<tr>
<td>Professional / Skilled</td>
<td>52</td>
<td>20</td>
</tr>
<tr>
<td>Totals</td>
<td><strong>140</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

*Source: Researcher’s Own Construction*

A total of 50 questionnaires were dispatched to all sample participants as shown in Table 3.1. The minimum period required for one to be considered for the sample was three (3) years of service. Because of the nature of information required by the study (fit between HR strategy and business strategy at Surface Investments (Pvt) Ltd), it meant that one must have had three and above years in service at Surface Investments (Pvt) Ltd. Information on years of service was
obtained from personnel records (HR Database). Only employees who had three years of service and above were considered for the sample, provided they met specifications as required by the population. Shop floor employees were excluded in the population of the study because of their limited understanding of the concepts required by the study.

3.4.2. Sampling Techniques

According to Saunders (2006) there are two basic sampling methods namely probability and non-probability sampling.

3.4.2.1 Non- Probability Sampling

Saunders (2006) highlighted that with non probability sampling, the probability of each case being selected from the total population is not certain. The non-probability sampling methods include purposive sampling, snowball sampling, convenience sampling and quota sampling.

3.4.2.2. Probability Sampling

Dillion et al. (2010) argued that, simple random sampling is when all the members have an equal opportunity of being selected. Thus, in probability sampling, sample observations are selected on a purely random chance / basis. The advantage of this method is that bias is limited and it is highly free from human intervention. However, it may not be practical in the sense that it requires a population list which may not be available (Emory, 1980).

Wegner (1999) argued that systematic random sampling begins by selecting the first observation and then subsequently selecting observations at consistent intervals relative to the first. Saunders (2006) highlighted that this method is easy to check for errors and on the negative side; it may fail to give consistent results
if different intervals are used where there are periodic cycles within the survey frame.

Stratified random sampling is described as a modification of random sampling in which one divides the population into two or more relevant and significant strata which are based on known attributes (Saunders et al. 2006). Random samples are then selected from each stratum. The sampling units in each stratum should be fairly homogenous. Stratified random sampling enables the researcher to study in detail the behaviour of elements in each stratum (Leedy and Ormrod, 2001). This has the advantage of improving the accuracy of the results. The challenge with the stratified random sampling is in the determination of the strata and the basis for stratification.

This study used probability sampling (simple random sampling). Each employee had an equal chance of being selected and so the introduction of any bias was limited and it was free from human intervention. This increased accuracy and precision of the sample representing the characteristics of the population of Surface Investments (Pvt) Ltd employees. Employees were chosen from different departments randomly. The departments include HR, Finance, Engineering, Quality, Production and Loss control. A list of employees falling in the categories of managers, middle management and professionals and skilled personnel was requested from human resources department and the names were put in a dish. They were thoroughly mixed and names picked randomly. This ensured that all had an equal chance to be selected.

3.5. Data Collection

3.5.1. Data Sources

Data sources for statistical analysis can be primary or secondary data (Wegner, 1999).
3.5.1.1. Secondary Data

According to Moore (2006), secondary data refers to data which is collected and processed by another person or researcher and for a purpose which may be different from the current problem. This data can be available within the organization or at any other institution. The advantage is that this data can be available to the researcher at any time and may be cheap depending on the nature of the data required. The only disadvantage with this data is that it may not be appropriate and may fail to be useful to the defined problem (Bishop, 2007). In this study, secondary data was collected from documents at the organization like the Strategic Documents, Reports (monthly, quarterly) and Board pack. It was also gathered from text books, journals and internet.

3.5.1.2. Primary Data

According to Sekaran (2006) primary data is data which is collected at the point where it is created. This data is collected for the first time and for a defined purpose. Primary data allows the researcher greater control over data accuracy. However, its disadvantage relates to it being expensive to collect and sometimes in terms of time and resources required when gathering it. In this study, primary data was collected from Surface Investments (Pvt) Ltd employees using self – administered questionnaires.

3.5.2. Data Collection Methods

A number of data collection methods are available to researchers and these include observation, interviews and questionnaires. These methods can be used separately or in combinations.
3.5.2.1. Observations

According to Emory (1980) observation entails checking what is taking place at that moment, through systematic observation, recording, description, analysis and interpretation of people’s behaviour. It may also involve listening and reading. Observation can be classified into different categories which involve behavioural and non-behavioural observation (Emory, 1980). Firstly, behavioural observation is concerned with non-verbal, linguistic, extra-linguistic and spatial analysis. Non-behavioural observation is concerned with observation of non-human phenomenon, which entails aspects like records, processes and activities. All methods of observation are useful when considering data collection (Gill and Johnson, 1997).

3.5.2.2. Interviews

An interview can be referred to as a situation where one person talks and the other one listens (Bryman and Bell, 2007). Interviews can either be structured or unstructured, can be administered using face to face or telephone and they can allow the researcher to observe non-verbal aspects and then one may be able to make inferences. They have the ability to improve the response rate simply because the interviewer can be in control of the information-gathering process (Wegner, 1999). However, interviews are time consuming and may also raise concerns about bias, if not handled properly. They therefore, require more experience on the part of both the interviewer and interviewee.

A structured interview follows a pre-determined set of questions and a standardized answer sheet, where the interviewer fills in the responses (Robson, 1997). A semi-structured interview is where the interviewer has pre-set questions but is at liberty to change either their ordering or their format. In unstructured interview, the interviewer maintains interest in a particular area of study but allows the conversation to develop around that area.
Wegner (1999) argued that unstructured interviews are more capable of gathering information that the interviewer had not planned and this brings about a diversity of information for analysis by the researcher. They are important where the researcher wants to interview a group of participants at the same time. However, unstructured interviews may provide information that may be difficult to analyze and make comparisons among interviewees. They can be effective if they are conducted by an experienced interviewer as he/she may have the potential to keep participants focused.

3.5.2.3. Questionnaires

A questionnaire is an instrument that consists of questions that the respondents are supposed to answer (Saunders, et al. 2006). Questionnaires include structured interviews, telephone interviews as well as participant administered questionnaires. The use of questionnaires as a survey method has a major challenge of a low response rate. According to Leedy and Ormrod (2001), a mailed questionnaire normally has a response rate of 50% or less. The people who return them may not be representative of the originally selected sample. The interviewer has no opportunity to probe and gather more information when using a questionnaire and therefore the questions must be well structured. The use of a questionnaire has the advantage that it results in reduced interviewer bias, reduced administration costs, and can be administered to many participants at the same time. It can capture information from many people at the same time and can organize and group data through structured questions.

3.5.3. Choice of Data Collection Method

In this research, both a self-administered questionnaire and a semi-structured interview were used as the primary data collection instruments.
Self-administered questionnaire: Participants were free to provide information because confidentiality was guaranteed. The other advantages of the questionnaire included the ability to capture information from many people at the same time and the ability to organize and group data through structured questions. Due to time constraints on the part of Surface Investments (Pvt) Ltd employees who are always busy, the questionnaire was also considered to be an ideal instrument for the study due to its versatility, simplicity and provision of a list of possible answers from which the respondents could choose.

Semi-structured interview: Due to the nature of the area of study (existence of fit between HR strategy and business strategy), a semi structured interview was also ideal and this is where the interviewer has pre-set questions but is at liberty to change either their ordering or their format. In unstructured interview, the interviewer maintains interest in a particular area of study but allows the conversation to develop around that area. A semi-structured interview was administered with managers and middle managers who really understand the subject area.

3.5.3.1. Structure of the Questionnaire and the Interview guide

The questionnaire was structured such that the first section of the questionnaire asked about the general demographic information of the respondent. Kangasharju (2000) argues that this section was important as statistical significance variance was checked for all demographic variables that impact the outcome in this case. The second section paid particular attention to the HR strategy in use and lastly the third section focused on information on the degree of fit between HR Strategy and the business strategy.

The interview guide was structured such that the first section of the questionnaire asked about the general demographic information of the respondent. This section was important as statistical significance variance was checked for all
demographic variables that impact the outcome in this case (Kangasharju, 2000). The second section paid particular attention to the HR strategy in use and lastly the third section focused on information on the degree of fit between HR Strategy and the business strategy.

3.5.3.2. Nature of Questions

Wegner (1999) argues that when designing a questionnaire, attention should be paid to the type of questions to include, order of the questions and wording and structure of the questions to ensure that relevant, unbiased and accurate data of the correct type is gathered in line with the research objectives. In this research, a questionnaire with a mixture of structured and semi-structured questions, closed and open-ended questions was used to collect information from Surface Investments (Pvt) Ltd employees. Closed multiple choice single response questions facilitated data analysis. Open-ended questions provided respondents with a chance to provide detailed answers to the questions.

In the questionnaire, the researcher included ‘other and please specify’ type of questions and a number of open-ended questions to make sure that qualitative and quantitative data would be received. There were questions that asked respondents to indicate the factors that constrained the fit between HR Strategy and the overall business strategy using a five-point Likert scale where 5 = very strong constraint and 1 = very weak constraint. All questions were checked to ensure that they were asking for the appropriate information.

The interview guide followed a pre-determined set of questions and a standardized answer sheet, where the interviewer fills in the responses. The interview guide allowed that the interviewer has pre-set questions but is at liberty to change either their ordering or their format. One major advantage with this data collection method is that the interviewer maintains interest in a particular area of study but allows the conversation to develop around that area. Thus,
probing further would result in all facets being discussed and a high probability of getting required information.

3.5.3.3. Pre-testing of the questionnaire and Interview Guide

After developing both the questionnaire and the interview guide, they were pre-tested on a sample of ten employees (five middle managers and three skilled/professional employees) for the questionnaire and three managers and five middle managers for the interview guide and this was done at Surface Investments (Pvt) Ltd.

Simple random sampling method was used to select participants in the pilot study. Tags reflecting names of all managers, middle managers and skilled/professional employees were put in a basket and shacked. Then 8 tags which were chosen first formed part of the sample for pilot study. The same process was done to select sample for pilot study with regard to management employees. Those selected for pilot study were not part of the main study. The researcher made sure that their names were excluded when sample was chosen for the participants. The reason being that, fresh participants were required to ensure that no researched answers would be provided to the researcher, and that all sample participants would be at the same base when questionnaires were distributed and interviews conducted. By this way, bias would be highly minimized because no one would present researched answers which incorporate views and opinions from non participating employees.

The pre-test was done through structured personal interviews. Liamputtong (2009) argue that a pre-test that is done through an interview enables the researcher to watch and see if people actually remember data requested of them. It also allows the researcher to see if some questions seem confusing or produce resistance and hesitancy among respondents for one reason or the other a pre-test was done to identify unclear, ambiguous formulated questions
and to investigate the reliability of the selected instruments. After these identifications, the questions were then revised. Both the questionnaire and the interview guide were refined accordingly and administered to the respondents.

3.5.3.4. Questionnaire and interview administration

Self-administered questionnaires can be handed out randomly wherever the target population can best be reached (Wegner, 1999). For this research, the questionnaires were distributed randomly by hand to Surface Investments (Pvt) Ltd employees in the sample. Participants for the interview were advised on time and the interviews were conducted in a conducive room. The Human Resource team provided the Training Room for the interviews. This was appreciated because interview participants had all the privacy required and confidentiality guaranteed.

3.6. Data Analysis and Presentation

Data analysis began with editing and coding of the data. This was done for both data collected through the questionnaires and the interviews. According to Zikmund (2003:74) editing includes checking of the data collection forms for omission, legibility and consistency in classification as well as discarding of completed responses that had missing data, identifying potential error in data collection and discussing its implications. Data was converted to statistics to facilitate qualitative and quantitative analysis of responses. Some questions were open ended so the results were transcribed, tabulated and codified according to the most common responses provided by users so as to develop the data analysis. The results were then expressed as percentages after being classified into answer categories. The excel package was used to analyze the data. A qualitative approach was employed for analyzing the data. Graphs were used as the most appropriate way of showing comparative and classified data in a simplified manner. These were used together with histograms, diagrams, tables.
and charts. Graphs were ideal and useful for illustrating and summarizing data sets. They made it possible to compare and contrast the opinions of different subjects on the same question.

Tables were also used. They can summarize huge amounts of information and enables easy comparison of variables. They capture information and present it in columns and rows and they save space and time. One disadvantage of tables however is that they may be difficult to interpret, leading to wrong conclusions.

### 3.7. Validity

Validity measures the degree to which a study succeeds in measuring intended values and the extent to which differences found reflect true differences among the respondents (Cooper and Schindler, 2008). For the validity of the data in this research, the researcher pre-tested both the questionnaire and the interview guide and was convinced that they measured what they intended to measure. To ensure anonymity and to inspire confidence in the respondents, the researcher included a personal letter which was dispatched with each questionnaire pledging that anonymity and privacy would be maintained by both the University of Zimbabwe and the researcher. Both anonymity and privacy was guaranteed for participants for the interviews.

In addition, samples were carefully chosen to promote validity. This was done by ensuring that only those who were in the required categories (managers, middle managers and skilled/professionals) were considered. Human resource department provided information on categories and years of service for each one who was in the required category. Certain key terms were explained to ensure understanding, for instance, “Fit, corporate level strategy, business level strategy and functional level strategy”. The term “Fit” was continuously being explained / defined to promote validity.
Respondents were carefully selected to ensure validity. In this regard for instance, judgemental sampling was employed to constitute a sample for question number 13. Respondents from managers and middle managers were drawn to complete questionnaire number 2. This is because the questionnaire (question No. 13) required respondents who had knowledge of the subject area.

Lastly, the Human resource was requested for qualifications of all those who constituted the population and sample (managers, middle managers and skilled/professionals). A skills matrix for employees falling within the period of study was provided by the human Resource Department. The target group had the following spread of skills, i.e. Masters, Degreed, Diploma Level, Higher Diploma level and National Certificate level. This level of employees had better understanding of the subject under study. All this was done to promote validity and reliability.

3.8. Reliability

Neuman (2003) argued that reliability referred to the ability to constantly yield the same results under the same conditions. Tests of reliability aim to show if the survey can be relied upon to provide the same values if the survey were to be administered repeatedly under similar conditions. In this study, the questionnaires were given to the respondents at the same period to complete. The researcher did not vary the questions and administered the questionnaire personally. The researcher made certain that leading and confusing questions were avoided making the study fairly reliable.

For interview participants, the interviews were conducted in the same venue and within one week. This was done to ensure that the environment and conditions are still the same. The researcher did not vary interview questions much and administered the interviews personally. The researcher made certain that confusing questions were avoided making the study fairly reliable.
3.9. Ethical Issues

The researcher sought to conduct the study in line with ethical guidelines in that participation was voluntary. Participants were assured of the confidentiality of information provided and that the research would be used only for academic purposes. Furthermore, no names were asked from the respondents.

3.10. Research Limitations

There were a number of limitations to the study, these are listed below.

i. Some managers/middle-managers/skilled employees had a feeling that some questions bordered on business confidentiality and therefore could sieve the information to be provided. The respondents could avoid answering some questions to avoid leaking of confidential information. These questions had to do with the status quo on the existence of fit between human resource strategy and business strategy. They wanted to be protected from competition by keeping this information a secret.

ii. Some of the targeted respondents did not find time to answer the questionnaires and some could not attend the interview.

iii. A source of bias could be inherent in responses of the employees whose responses may have been made in a way to spruce up their image and that of the business. Although possible effects from this potential bias cannot be completely eliminated, they might be somewhat lessened because of the guaranteed confidentiality of their responses.

iv. The study focused on vertical fit and not horizontal fit which is also of importance in improving organizational performance.
3.11. Chapter Summary

This chapter provided the description of the methodology applied in this study. Thus, it discussed the research design used in coming up with the research findings and justification for the methods selected in the study. The chapter outlined the two main types of research philosophies namely positivism and phenomenology. Measures used to promote reliability; validity and accuracy of data were also discussed. Both a self - administered questionnaire and a semi structured interview were the research instruments used to collect data for this research. Questionnaires were distributed to 50 participants as this sample was large enough to justify the validity of the research findings. Interviews were conducted with 15 participants who were drawn from the managers and middle management groups. A pilot test of both the questionnaires and the interview guide were administered in order to test whether the research instruments were appropriate and free from errors. Microsoft excel spreadsheet was the package used to analyze the data. Presentation of the data was by means of tables, graphs and pie charts. Secondary data in the form of strategic documents, textbooks, journals, magazines and newspapers were also used. The next chapter presents the research findings and their analysis.
CHAPTER FOUR
RESEARCH FINDINGS AND ANALYSIS

4.0. Introduction

The chapter presents an analysis of the findings from the research conducted as outlined in Chapter Three. The Chapter looks at both the interview and questionnaire response rate and the presentation and interpretation of the results. A discussion of the findings is made in relation to literature as highlighted in chapter Two. Tables, bar charts, pie charts and cylinder charts were also used to present, analyze and interpret the data. Chapter four provides a basis for conclusions and recommendations which are made in chapter 5.

4.1. Sample Analysis

4.1.1. Composition of Respondents

The sample was made up of managers, middle management and professionals / skilled personnel of Surface Investments (Pvt) Ltd as indicated in Figure 4.1.
Figure 4.1 shows the composition of the respondents at Surface. The majority of the questionnaire respondents were Middle management staff (50%), professionals / skilled personnel constituted 40% of the sample and the managers constituted 10%. This gives a high probability that the information given is valid since the middle managers and professionals have more understanding of the degree of fit between business strategy and HR strategy. This is because, this group is found in the implementation phase of policies meaning that they have first hand data.

### 4.1.2. Composition of Respondents

On gender composition, 24% of the questionnaire respondents were females and 76% were males as indicated by Figure 4.2.
The gender composition shows that the majority of Surface employees are males giving the impression that the company is dominated by male employees.

With regard to the interview participants, the sample was made up of managers and middle management of Surface Investments (Pvt) Ltd as indicated in Table 4.1.

Table 4.1 Composition of Respondents – Interviews

<table>
<thead>
<tr>
<th>Description</th>
<th>Sample</th>
<th>Attended Interviews</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Middle managers</td>
<td>9</td>
<td>7</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
<td><strong>12</strong></td>
<td><strong>8</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>

*Source: Researcher's own construction*
Table 4.1 shows the composition of the interview respondents at Surface. The majority of the respondents were Males (66.67%) and Females constituted 33.33% of the sample. Of the managers (Males) interviewed, we had the Head of Human Resource, the Manufacturing Executive and the Engineering Services Manager. Female managers interviewed include the Finance Manager and the Sales Manager. Of the middle managers (Males) interviewed, we had the Electrical Engineer, Production Manager, Quality Manager, Security Manager and the Human Resource Officer. Female middle managers interviewed include the Internal Auditor and the Chemical Engineer. The group interviewed represents key staff at the company and this gave a high probability that the information given was valid since the middle managers and professionals have more understanding of the subject area under study (degree of fit between business strategy and HR strategy).

4.1.3 Years of Service

Figure 4.3 depicts the years of service for questionnaire respondents.

![Years of Service](image)

Figure 4.3: Years of Service (Questionnaire respondents)
Out of the surveyed respondents who completed and returned the questionnaires, 73% were within 3 to 4 years of service, 11% were within 4 to 5 years of service and 16% were above 5 years of service. This complements the information that this is a relatively young company as it was established in 2006. It means that, the oldest employees had 7 years in service. This gives an unbiased analysis of the degree of fit between business strategy and the HR strategy. The result implies that the respondents have the relevant experience in the business.

Figure 4.4 depicts the years of service for the interview participants.

![Years of Service](image)

Figure 4.4: Years of Service (Interview participants)

Out of the interviewed participants, 7 out of 12 (58%) were within 6 years of service and above, 16.67% were within 5 to 5.9 years of service and 16.67% were within 4 to 4.9 years of service and 8.33% were within 3 to 3.9 years of service. This shows that 74.67% were above 5 years of service with the company. The company records revealed that this is a relatively young company which was established in 2006. It means that, the oldest employees had 7 years in service. This gives an unbiased analysis of the degree of fit between business
strategy and the HR strategy. The result implies that the respondents have the relevant experience in the business.

4.2. HR strategy for Surface Investments (Pvt) Ltd in the period January 2010 to December 2012.

One of the objectives of the study was to find out whether an HR strategy existed at Surface Investments (Pvt) Ltd.

Figure 4.5 reveals the results of perceptions of the interview participants on the existence of an HR strategy at Surface Investments (Pvt) Ltd.

![Existence of HR Strategy](image)

Figure 4.5: Existence of HR Strategy at Surface Investments (Pvt) Ltd

The results in Figure 4.5 show that 100% of interview respondents agreed that an HR Strategy was in place at Surface Investments (Pvt) Ltd. All the interviewees highlighted that they had copies of the HR strategy in their files and housed in their respective offices. They concurred that they make reference to this strategy when dealing with people issues. The Head of Human Resource highlighted that it is the policy of the company that the HR strategy as depicted in
Table 1.2, be issued to all key personnel at the company for reference whenever they are dealing with people issues.

Miles and Snow (1984) alluded to the fact that functional level strategies are concerned with how different functions can support the business strategy and with an ultimate goal of attaining the mission and goals and objectives of the company. With all interviewees confirming that an HR Strategy existed at Surface Investments (Pvt) Ltd, it meant that the company was in the right direction with regard to the achievement of mission, goals and objectives of the company.

The survey questionnaire also asked respondents to indicate the strength of HR related factors in relation to the HR strategy of the company. A list of options was availed, which required each respondent to indicate the strength of each factor in relation to the HR strategy of the business. This was presented on a Likert scale (5= very strong factor; 4= strong factor; 3= neutral factor; 2= weak factor and 1=very weak factor). The respondents indicated their choices by ticking in the appropriate boxes. The results of the strength of HR related factors in relation to the HR strategy of the company are shown in the following presentations and analysis.

4.2.1. Recruitment

According to Barber (1998) recruitment denotes the practices and activities conducted by the organization with the main aim of attracting potential candidates. This definition gives the difference between recruitment and selection. Selection is referred to as the processes that reduce the number of potential candidates and recruitment refers to the activities or processes that make or enable this reduction possible. This is made possible simply because a number of potential candidates will have been identified. Respondents in this study were asked to indicate the strength of recruitment in relation to the HR strategy of the company. The result is as indicated in Figure 4.6.
Figure 4.6 shows the strength of recruitment and selection in relation to the HR strategy of the company. About 57% of the respondents indicated that the strength of recruitment and selection in the implementation of the HR strategy was neutral, 33% a strong relationship, 5% both very strong and weak and 0% a very weak relationship. A relatively weak recruitment strategy lead to the company failing to achieve set targets of 600 metric tonnes of crushed seed per day.

According to Breaugh and Starke (2000) for recruitment to become strategic it needs HR practitioners to find effective answers to questions relating to the candidate to recruit, where to recruit them from, recruitment sources to use and the actual date of recruiting the candidate. This means that a weak recruitment strategy will have a negative impact to the performance of the organization. As a result, poor performance levels will result. This may have been affecting Surface but at a reduced scale because both 33% and 57% indicated that the strength of recruitment and selection was strong and neutral respectively.
4.2.2. Learning and Development

Figure 4.7 shows the results of the perceptions of the respondents on the strength of learning and development in the implementation of the HR strategy at Surface Investments.

![Opinion of Respondents](image)

**Figure 4.7: Learning and development**

The results in Figure 4.7 show that 57% of the respondents indicated that the strength of learning and development in the implementation of the HR Strategy is neutral. Of the surveyed respondents, 19% indicated that the strength was strong, 14% a weak relationship and five percent (5%) both a very strong and a very weak relationship. This means that implementation of learning and development remains a significant factor at Surface Investments (Pvt) Ltd if desired performance is to be achieved.

Burke and Day’s (1986) highlighted that the intention of training and development programs is to ensure that the trainees are equipped with relevant skills that will see the company achieving its set targets and desired outcomes.
Ginsberg (1997) argued that organizations must design training more carefully. When designing training, it is important to ensure that the correct training needs are identified and incorporated into the training calendar for a certain time period. When this is done, the organization is more likely to achieve desired performance by the human capital as this team will be highly focused and possessing the requisite skills (Partlow, 1996). In a situation where inappropriate training needs are collected, resources like time and finances may be lost simply because the training may be emphasizing on wrong issues and ultimately training gaps may remain open. This has a bearing on substandard performance and poor performance by the company (Tsaur and Lin, 2004). On the job training is critical is the organization is to achieve better results. On the job training ensures that the trainees get proper skills on how to carry out a certain function and in-depth knowledge on certain tasks is acquired instantly (Deming, 1982). In most instances, employees get more understanding on how to carry out certain tasks from experience rather than from theory. Theory helps to build more understanding only. It is clear from the literature that Surface Investments must improve its training programmes and by this it means that performance can be improved.

4.2.3. IR management

Figure 4.8 shows the opinion of the respondents on the strength of IR management in the implementation of the HR strategy at Surface investments (Pvt) Ltd.
The results show that the majority of the respondents (73%) indicated that the strength of the IR management in the implementation of the HR strategy is neutral. About five percent (11%) indicated that it was strong, (5%) indicated that it was both weak and very weak and (2%) indicated that it was very strong. This implies that Surface Investments may be failing to achieve set target (600 metric tonnes of crushed seed per day) due in part to sub standard IR management.

According to Kochan (1992) a sound IR climate at an organisation is essential. High performing organisations are characterised by a sound IR environment which has more trust and loyalty. In addition, high productivity depends on the level or degree of motivation of staff at that company. Thus, the labour management relations should be prepared to foster a climate which is appropriate to securing the cooperation required for high productivity growth. In general terms, a sound IR climate plays a pivotal role in securing approval by workers of the need to achieve high productivity and performance. What is obtaining at Surface may be contrary to what Kochan (1992) highlighted in the
text above. It means that, Surface must strengthen its IR management to see an improvement in the overall business performance.

4.2.4 Elements of the HR strategy at Surface Investments (Pvt) Ltd

Figure 4.9 reveals the results on elements of the HR strategy known to the interview participants at Surface Investments (Pvt) Ltd.

The results in Figure 4.9 show that 10 out of 12 interviewees (83.33%) were aware of all the elements of the HR Strategy in place at Surface Investments (Pvt) Ltd. Elements they were aware of include human resource planning, recruitment and selection, training management, succession planning performance management, reward management and industrial relations management strategies. Of the results depicted 2 out of 12 interviewees (16.67%) were aware of more than half of the elements of the HR Strategy in place and lastly none of the interviewees was not aware of any of the elements of the HR Strategy in place at Surface Investments (Pvt) Ltd. That 83.33% of the
interviewees are aware of the elements of the HR Strategy is healthy for the organization. This is because the interviewees represent the decision makers and those who participate in policy making and implementation of the same. Now that the majority was aware of the elements of the HR strategy in place, it meant that there was a high chance that the HR strategy was influencing people issues at the company.

4.2.5 Application of HR strategies at Surface Investments (Pvt) Ltd

Interview participants were also asked to explain on what they knew about elements of HR strategy and their application at Surface Investments (Pvt) Ltd. A number of issues were explained and the issues had to do with human resource planning, recruitment and selection, training management, succession planning, performance management, reward management and industrial relations management strategies. All the facets were explained in context of how they were applied at Surface Investments (Pvt) Ltd.

4.2.5.1 Human Resource planning strategy

With regards to human resource planning, the Head of human Resource revealed that, yearly, the human resource prepares an inventory which contains the present number of employees, their qualifications, technical qualification, technical abilities, skills, and other information such as residential place. This information is kept at Human Resources (Annexure 1; extract of Manpower Establishment Report).

Both the Human Resource Officer and the Engineering Services Manager concurred that, by studying the present human resources, gaps in competencies and number of people are identified and future requirements of the organization are generated. Forecasting of human resources is based on future growth plans and the future organization
structure. Care is taken to understand the competencies required for future and the projections were made on the basis of numbers as well as competencies required (Jackson & Schuler, 1990).

On completion of the two activities as highlighted above, actual requirements of human resources is generated in numbers as well as, specifications. This will now be done by respective heads of departments in consultation with the human resources.

According to Jackson and Schuler (1990), Human resource planning helps the organization to forecast future manpower requirements of an organization. Nonaka (1990) said that success of an organization is attributed to efficiency in human resource planning.

4.2.5.2 Recruitment and Selection strategy

The Head of human resource highlighted that the system of recruitment at Surface Investments (Pvt) Ltd is implemented to get the maximum number of candidates for a job opening. Recruitment is done as per the policy manual and recruitment strategy. The strategy for recruitment is very systematic. Centrally designed Interview Assessment forms (Annexure 2) were used for candidates applying for a job. Candidates are interviewed by the first panel. The candidates clearing the first panel are called for final interview with functional heads and Head of Human resource. Successful candidates are offered the job. Senior level employees are also interviewed by the HR committee of the Board.

According to Cappelli (2001), recruitment is a process that has to do with the identification of potential candidates required for an existing or anticipated job opening. In the process, the management makes an effort to ensure that relevant information is made available to potential
applicants. The information may be related to qualifications and the career opportunities available at the company. On the basis of human resources available and also considering a succession plan in place, the management may be able to make a decision with regards to filling up the vacancy (Ibid). The job opening may be filled up from within the organization or manpower may be sourced from external sources. The decisions will be made basing on the company’s human resources policies.

4.2.5.3 Training and development strategy

Surface Investments (Pvt) Ltd uses training needs analysis questionnaires to identify training needs (Annexure 3 – Training Needs Analysis Questionnaire). This process is done in November each year and come January the following year; the training calendar will be in place. According to training and performance statistics in the HR departmental records, training which was conducted basing on training needs resulted in training gaps being closed.

Employees who might not have been trained in any way do not perform as expected (Garavan, 1997). They might perform to some standard and level but not optimally when compared to skilled employees who received the correct training (Boudreau et al., 2001). It is therefore of paramount importance for an organization to ensure that its employees get the right training that addresses specific skill deficiencies. If this is done, then optimal performance may be achieved (Heras, 2006).

4.2.5.4 Succession planning strategy

100% of the interview participants showed that, succession planning is important in the day by day decision making at Surface Investments (Pvt) Ltd and was considered as an important tool for improving individuals. At
the company, succession planning has been crucial in planning the number and quality of future manpower requirements (Annexure 4 – extract Succession Plan). Records in the Human resource department showed that for every job vacancy, succession plan in place would have to be considered first before advertising for the job. Only in situations where a suitable candidate was not identified from the succession plan, then recruitment from external sources would be considered (Sambrook, 2005).

4.2.5.5 Performance management strategy

Records in the Human Resource showed that the company conducted performance appraisals on a quarterly basis. At Surface Investments (Pvt), performance appraisal was used to measure performance (Annexure 5; Performance Appraisal Form). The purpose of measuring performance was to identify the status quo so that steps could be taken to build on success. Conducting performance appraisals resulted in the company being able to summarize past performance, and develop future work performance goals and expectations.

According to Davis (1995), Performance appraisal is a joint process that involves both the supervisor and the employee, who identify common goals, which correlate to the higher goals of the institution. In situations where employees are effectively appraised, the organizations will experience increased productivity and improved quality of output.

4.2.5.6 Reward management strategy

Human resource records revealed that four categories of rewards, that is, intrinsic, extrinsic, social and the organizational remuneration were pronounced at Surface Investments (Pvt). Intrinsic rewards refer to
internal feelings of satisfaction, involvement, growth, autonomy and self competence an individual experience during his career (Allen et al., 2004). The Production Manager highlighted that employees were promoted to higher positions and this was done through the succession plan in place. In addition, their work was valued and suggestions by employees being implemented where they were considered to adding value.

Extrinsic rewards are based upon organizational participation and performance and further categorized into direct and indirect form (Westover and Taylor, 2008). The Finance Manager said that, direct rewards were shown in a small token of appreciation being awarded to employees. Heads of departments were allowed to buy anything to present to excelling employees as token of appreciation. Indirect rewards were guaranteed in financial security and better future prospects with the company. For instance, the company participated in salary surveys and always paid competitive salaries and benefits to its staff. For CBA employees, payment was done following applicable rates in the industry.

Social rewards that are associated with team based projects that reinforce the employees to interact with core workers in order to obtain the shared goal outcomes (Larson, 2003). The Production Manager revealed that team based rewards were awarded on a monthly basis. Each section had a target to achieve on a monthly basis and if achieved, a price was paid. For instance, the company was paying half an employee’s basic salary for a section that achieved its target in a month.

The Manufacturing Executive pointed out that, organizational rewards were paid whenever the company achieved a profit. A certain percentage (commensurating the profit made) of an employee’s basic salary is paid as performance bonus each time a profit is made by the company. This
boosted morale despite the fact that the company might be facing some challenges.

4.2.5.7 Industrial relations management strategy

The Human Resource Officer highlighted that, harmony prevailed and conflict was limited at the company. This kind of environment fostered an enabling environment which acted as an appropriate platform for improved productivity. Improved productivity was realised because of high motivation and loyalty levels among the staff members.

Industrial relations at Surface Investments (Pvt) Ltd was characterised by regulations, systems and mechanisms which govern the relationship between the employer and the workers. This was highlighted by the Head of Human Resource. In the period under study and from 2011, the company adhered to the National Code of conduct (SI.15 of 2006) in administering discipline (Annexure 6 – SI 15 of 2006, National Code of Conduct); grievance procedure was being adhered to when resolving employee grievances. For instance an employee approaches the superior whenever a grievance comes up and if not resolved, it could go through the procedure up to the chief Executive Officer level.

Kochan (1992) argued that IR is characterised by regulations, systems and mechanisms which govern the relationship between the employer and the workers. Thus, IR seeks to foster effectiveness of firms and also to improve impartiality and fairness at an organisation. The main goal of a sound IR system will be to ensure that disputes are resolved in a more conciliatory manner and also that they are highly minimised. If this is achieved, harmony will exist and performance may be improved. The regulations, systems and mechanisms of an IR system are embedded in country statutes, practices and different agreements. These help to build
regulations and systems to be followed and binding in a specific country and industry.

4.2.5.8 HR Value proposition strategy

The Head of Human Resource highlighted that, from around early 2012, with the new concept of HR value proposition being implemented, the performance of the company improved. He pointed out that the HR team add value when their work helped others reach their goals. The proper implementation of the Code of Conduct (SI 15 of 2006) at the company meant that discipline was maintained among the staff. Thus supervisors were now focusing on improving productivity than dealing with undisciplined staff. In addition, high commitment was seen in 2012 due to fair remuneration system in place, for instance, CBA rates were implemented timeously and also performance bonuses were paid fairly.

The Manufacturing executive pointed out that value was created in the sense that training was now based on results of performance appraisals, where some performance gaps would have been identified. Also, succession planning boosted morale as competition was now a common phenomenon at the company. As a result, improved output meant that investors were close to achieving high return on investment.

The Production manager also highlighted that, with proper expertise and competencies amongst the staff, quality specifications were achieved and no returns from customers (poor quality) were witnessed from July 2012. This means that the customers were satisfied with the product from the company.

HR team was now involved in programs that add value to the stakeholders and this had a positive impact on company performance. This was seen in
improved production figures, especially from mid 2012. Generally, this improved fit between HR strategy and business strategy.

Ulrich and Brockbank summarized an approach that helps HR practitioners to add value to the business (Ulrich and Brockbank, 2005). They argued that HR practitioners add value when their work assists others to achieve desired goals. HR value proponents highlighted that the HR value proposition refers to the situation where the human resource team and practices that produce positive results for stakeholders for instance employees, suppliers, customers, and shareholders

4.3 Perceptions of the respondents when they rank some factors in terms of their strength in relation to recruitment and selection strategy.

This section show the results of the perception of the respondents when they rank some factors in terms of their strength in relation to the recruitment strategy of Surface Investments (Pvt) Ltd. This is depicted in Figure 4.10

![Perceptions of respondents on recruitment and selection factors](image)

Figure 4.10. Perceptions of respondents on recruitment and selection factors
4.4.1. Involvement of Immediate Superiors in the recruitment process

The results in Figure 4.10 above show that 61% of the respondents indicated that the relationship between recruitment strategy and the involvement of immediate superiors in the recruitment process is neutral. Of the surveyed respondents, 27% indicated that it was strong, 9% indicated that the relationship was very strong, 2% indicated that the relationship was weak and none of the respondents opted for a very weak. This means that recruitment strategy must be improved if correct incumbents are to be engaged by the company.

McMahan (1992) argue that, for recruitment to become strategic, HR practitioners must find answers to the questions with regard to whom to recruit, where to recruit, what sources of candidates and when to recruit (Breaugh and Starke 2000). Thus, for the above stated questions to be answered effectively, immediate supervisors must be involved in the recruitment process all the times. If immediate superiors are not involved, it means wrong incumbents may be recruited at the end and performance targets may not be achieved.

4.4.2. Timeous Induction of new recruits

The results in Figure 4.10 above show that the majority of the respondents (57%) indicated that timeous induction is a strong factor in relation to the implementation of the recruitment strategy. Of the surveyed respondents, 32% indicated that it was neutral, 7% indicated that the relationship was weak, 5% indicated that the relationship was very strong and none of the respondents opted for a very weak relationship. This means that timeous induction is key to the organization as highlighted in employee induction literature.

Budhwar (2000) indicated that the organisation can quickly build on the positive attitude of the successful candidate through timeous induction. He also argued that, an effective induction programme introduces the new employee to other
workers with whom they may have less contact on a daily basis. This means that induction is important for mental preparedness of the new recruit.

Induction training should be the first stage of a training programme which can help workers become effective quickly, improve motivation and performance, extend the range of skills of employees, enabling them to be more adaptable and allow employers to delegate, freeing time for key management activities. For Surface Investments, timeous induction is key as it is being carried out more effectively as indicated by survey results.

4.4.3. Efficient hand - over and take - over by incumbents

The results in Figure 4.10 above show that 52% of the respondents indicated that there is a weak relationship between hand - over and take - over in the implementation of HR strategy at Surface Investments (Pvt) Ltd. Of the surveyed respondents, 25% indicated that it was neutral, 16% indicated that the relationship was strong, 5% indicated that it was very strong and 2% of the respondents opted for a very weak relationship. This means that hand – over and takes – over is poor and may have been influencing poor production levels at the company in the concerned period.

This is in line with what Garavan (2007) said. He argued that when a person leaves an organization, they bring with them knowledge and experience about how to deal with some situations, information that helps get the job done, contacts that matter for the work that the person was doing internally and externally and crucially a lot of insights about who really matters in the work and what should be cared for. If no proper hand - over and take - over is done, then performance by a new incumbent may slowly pick and this negatively affects organizational performance.

According to Budhwar (2000) if the newcomer is indeed a successor and no proper hand over and take - over are done, it means that, there is very little
guidance, if any. In addition, the new person does not really know how to handle the job, especially when dealing with complicated activities.

4.4.4. Timeous end of probation appraisal

The results in Figure 4.10 above show that 59% of the respondents indicated that the strength of end of probation appraisal in the implementation of the HR strategy is neutral. Of the surveyed respondents, 20% indicated that it was weak, 14% indicated that the strength was strong, 5% indicated that the strength was very weak and 2% of the respondents opted for very strong. This means that end of probation appraisal was not being conducted on time and this gave high probability of incompetent employees being incorporated into the permanent staff of the organization and with negative influence to productivity.

According to Beaumont (1993) the employee must be reviewed against the objectives and performance standards established as being appropriate for the particular post. Throughout the probation period, the superior will monitor progress against the set objectives and meet with the new employee to discuss performance and feedback constructively. If there are no areas of concern and performance is satisfactory this is recorded and the employee may be confirmed to a permanent position. Where there are particular areas of concern and the employee is not meeting the required performance standards the employee may not be confirmed. During probation, the superior will advise the employee of the outcome of the appraisal session and explain on what and how to improve, and how the company will support them in achieving this improvement. Further action may involve setting new objectives or targets, regular supervision, or further training and development. Actions required and timescales for improvement will be agreed and recorded.
4.4 Perceptions of the respondents when they rank some factors in terms of their strength in relation to learning and development strategy

This section shows the results of the perceptions of the respondents when they rank some factors in terms of their strength in relation to learning and development at Surface Investments (Pvt) Ltd. This is depicted in Figure 4.11

![Figure 4.11. Perceptions of respondents on learning and development factors](image)

4.5.1. Involvement of Superiors in the drawing of Training Calendar

The results in Figure 4.11 above show that 63% of the respondents indicated that the involvement of superiors in the drawing of the training calendar is strong. Of the surveyed respondents, 32% indicated that it was neutral and 2% indicated that the strength was very strong, weak and very weak. This means that drawing of the training calendar is effective and this may result in identification of correct training needs. This is in line with what Watad & Ospina, (1999) says. They argue that the implementation of training and management development programmes should be based on training and management development needs identified by a training needs analysis so that the time and money invested in
training and management development is linked to the mission or core business of the organization (Watad & Ospina, 1999). Superiors are key when administering training needs analysis questionnaires. This means that Surface Investments is on the right track by involving superiors when drawing the training calendar.

4.5.2. Completion of training needs analysis questionnaires by employees

Results in Figure 4.11 above show that 57% of the respondents indicated that employees are involved in the identification of training needs. Thus the relationship is strong. Of the surveyed respondents, 39% indicated that it was neutral, 29% indicated that the relationship was weak, 2% indicated that the relationship was very strong and none of the respondents opted for a very weak relationship. This means that correct training needs are identified because all employees provide training needs by completing the training needs analysis questionnaire. According to Watad & Ospina (1999) the implementation of training and management development programmes should be based on training and management development needs identified by a training needs analysis so that the time and money invested in training and management development is linked to the mission or core business of the organization (Watad & Ospina, 1999). This means that Surface Investments is on the right track by involving employees when collecting training needs.

4.5.3. On-the job training programmes

Figure 4.11 above shows that the majority of the respondents (57%) indicated that the strength of on the job training programmes is strong. 25% indicated that it was neutral, 9% indicated that the relationship was weak and the other 9% opted for a very weak relationship. Lastly, none of the respondents opted for a very strong relationship. This means that surface investments is on the right track by involving on the job training programmes. This is in line with what Armstrong
(2004) says. He said that in training, delivery method is of paramount importance. Trainers must be worry of the delivery system if they are to achieve their goal of imparting the knowledge to the trainees as per the identified performance gaps (Braga, 1995). If the trainer is not delivering the program in the correct way, it means that he/she is wasting time and other resources like money. This is because attention of trainees may never be garnered (Mark and Griffin, 2000). It is therefore critical for a trainer to ensure that interest of trainees is 100% and that they are also listening (Seamen, 2005). If attention and interest of trainees is guaranteed, then the objective of imparting knowledge will be achieved. This has a bearing on performance and return on investment at the end. Thus, by being involved in on the job training, Surface Investments is on the right track.

4.5.4. External training programmes

The results in Figure 4.11 above show that 59% of the respondents indicated that the strength of external training programmes being conducted is neutral. Of the surveyed respondents, 16% indicated that it was strong, 13% indicated that the strength was very weak, 7% indicated that the strength was weak and 5% of the respondents opted for very strong position. This means that external training programmes are not being fully employed to develop employees.

When designing training, it is important to ensure that the correct training needs are identified and incorporated into the training calendar for a specific period (Ginsberg, 1997). When this is done, the organization is more likely to achieve super performance by the human capital as this team will be highly focused and possessing the requisite skills (Partlow, 1996). External training programmes assist employees in that they are removed from the work place, disturbances are minimal and concentration improves. In addition, external training programmes are good for understanding theories and concepts which are key when performing duties (Shepard and Jon, 2003). Surface Investments need to employ
external training programmes where necessary to improve understanding of theories and concepts which underpin certain activities.

4.5.5. Adherence to the Training Budget

The results in Figure 4.11 above show that 53% of the respondents indicated that the strength of adherence to training budget is weak. Of the surveyed respondents, 20% indicated that it was neutral, 16% indicated that the strength was strong, 11% indicated that the strength was very weak and none of the respondents opted for a very strong position. This means that there was limited adherence to the training budget at Surface Investments. Every organization should develop its employees according to the need of that time so that they can compete with their competitors (Carlos A. Primo Braga, 1995). That Surface is failing to adhere to the training budget shows that it may not achieve optimal productivity as training gaps may influence performance and competing in the market will therefore be a mammoth task.

4.5 Perceptions of the respondents with regard to receiving training.

This section shows the results of the perceptions of the respondents when they were asked to give their opinion on whether they received training in the period under study. This is depicted in Figure 4.12.
Figure 4.12. Perceptions of respondents on receiving training

The results in Figure 4.12 above show that 89% of the respondents indicated that they received training in the period under study and only 11% indicated that they were not involved in any training activities in the period under study. This means that Surface is involved in training activities in one way or the other and this is positive for the company. This is in line with what Partlow (1996) says. He argued that trained employees perform well when compared to untrained employees. According to Boudreau (2001), employees who might not have been trained in any way do not perform well. They might perform to some standard and level but not optimally when compared to skilled employees who received the correct training (Boudreau et al. 2001). It is therefore of paramount importance for an organization to ensure that its employees get the right training that addresses specific skill deficiencies. If this is done, then optimal performance may be achieved (Heras, 2006). Thus, leaning and development of staff overally improves organizational efficiencies and performance. It might be costly to provide the correct training, but it is more costly not to provide training because more process loss might be seen in such situations. Process loss reduces revenues for the organization and they eat into return of investment. At the end,
shareholders might be losing and failing to get dividends which they aim for when investing their scarce resources (money) into the business (Shepard and Jon, 2003). This means that even though poor productivity levels were noted in the period under study, the company was on the right track in the long run.

4.6 Perceptions of the respondents when they rank some factors in terms of their strength in relation to IR management

This section shows the results of the perceptions of the respondents when they rank some factors in terms of their strength in relation to IR management at Surface Investments (Pvt) Ltd. This is depicted in Figure 4.13.

![Figure 4.13. Perceptions of respondents on IR management factors](image)

4.7.1. Workers committee in place

According to Figure 4.13, 39% of the respondents indicated that the workers’ committee is in place. Of the surveyed respondents, 35% indicated that it was strong, 17% indicated that the strength was neutral, 2% indicated that it was weak and 2% indicated that it was very weak. This means that employees are free to choose their representatives who can represent them in all circles as
enshrined in the Labour Act, Chapter 28:01, of Zimbabwe. This is in line with what Kochan (1992) says. He argued that IR seeks to foster effectiveness of firms and also improve impartiality, fairness and the growth of individual employees. Thus, the main goal of a sound IR system will be to ensure that disputes are resolved in a more conciliatory manner and also that they are highly minimised. If this is achieved, harmony will exist and performance may be improved. It means, by having workers’ committees in place, employees have a mechanism where they can be fully represented.

4.7.2. Works council meetings being conducted as per plan

Results in Figure 4.13 above shows that the majority of the respondents (35%) indicated that works council meetings are being conducted as per plan. Thus the relationship is strong. Of the surveyed respondents, 28% indicated that it was neutral, 20% indicated that the relationship was weak, 17% indicated that the relationship was very strong and none of the respondents opted for a very weak relationship. This means that employees and employers have a platform to discuss what affect them as one family and this is healthy for a company.

According to Kochan (1992) a sound IR climate at an organisation is essential. High performing organisations are characterised by a sound IR environment which has more trust and loyalty. In addition, high productivity depends on the level or degree of motivation of staff at that company. Thus, the labour management relations should be prepared to foster a climate which is appropriate to securing the cooperation required for high productivity growth. In general terms, a sound IR climate plays a pivotal role in securing approval by workers of the need to achieve high productivity and performance. Thus, it is easy for Surface Investments employees to negotiate for some issues because the works council is the platform for that.
4.7.3. Fair disciplinary handling procedures

Figure 4.13 above shows that the majority of the respondents (57%) indicated that the strength of fair disciplinary handling procedures being implemented is neutral. 20% indicated that it was strong, 15% indicated that the relationship was very strong, 4% indicated that the relationship was weak and the other 4% opted for a very weak relationship. This means that surface investments must improve on its disciplinary handling procedures if a sound IR system is to be achieved. As highlighted by Inoue (1994) the main goal of a sound IR system will be to ensure that disputes are resolved in a more conciliatory manner and also that they are highly minimised. If this is achieved, harmony will exist and performance may be improved. Thus, Surface must work on improving disciplinary handling procedures and this will improve a sound IR system and it has a bearing on performance of the company.

4.9.4. Fair grievance handling procedures

The results in Figure 4.13 above show that 41% of the respondents indicated that the strength of fair grievance handling procedures in the implementation of IR management strategy is neutral. Of the surveyed respondents, 30% indicated that it was strong, 15% indicated that the strength was very strong, 13% indicated that the strength was weak and none of the respondents opted for very weak position. This means that the company needs to improve on grievance handling procedures. According to Inoue (1994) IR seeks to foster effectiveness of firms and also improve impartiality, fairness and the growth of individual employees. The main goal of a sound IR system will be to ensure that disputes and grievances are resolved in a more conciliatory manner and also that they are highly minimised. If this is achieved, harmony will exist and performance may be improved. Thus, Surface must work on improving grievance handling procedures and this will improve a sound IR system and it has a bearing on productivity of the company.
4.9.5. Compliance to labour law

The results in Figure 4.13 above show that 39% of the respondents indicated that the strength of compliance to labour laws in the implementation of the IR strategy is strong. 28% of the respondents indicated that it was very strong, 33% indicated that the strength was neutral and none of them opted for both weak and very weak positions. This means that the company is moving in a correct direction by implementing labour laws. Inoue (1994), argued that IR is characterised by regulations, systems and mechanisms which governs the relationship between the employer and the workers. Thus by complying to labour laws, Surface is moving in the correct direction and this will result in a sound IR system in place and this may have a positive effect on company performance.

4.9.6. Employees free to join Trade Unions

Figure 4.13 above show that the majority of the respondents 52% indicated that the strength of employees being free to join trade unions of their choice is very strong. 43% indicated that it was strong, 4% indicated that the strength was neutral and none of the respondents opted for both weak and a very weak positions. This means that employees are free to choose their representatives who can represent them in all circles as enshrined in the Labour Act, Chapter 28:01, of Zimbabwe. This is in line with Kochan (1992) who argued that, a sound IR at the company level builds trust and confidence between the management and workers. It may also boost confidence between workers and management. However, effectiveness at one level may naturally have some effects on the other (Kochan, 1992). It means that, by allowing employees’ representation of their choice, a sound IR will be fostered leading to good overall company performance in the long - run. Thus Surface is moving on the right direction.
4.7.7. IR related training being conducted

The results in Figure 4.13 above show that 28% of the respondents indicated that the strength of industrial related training being conducted is neutral, and the other 28% believes that it is weak. 22% indicated that it was strong and the other 22% believes that it is very strong and none of the respondents opted for a very weak position. This means that IR training was limited at Surface Investments. Burke and Day’s (1986) argued that the intention of training and development programs is to ensure that the trainees are equipped with relevant skills that will see the company achieving its set targets and desired outcomes. That Surface is trailing behind when considering IR training, it shows that it may not achieve optimal productivity as training gaps may negatively influence performance and competing in the market will therefore be a mammoth task. In other words, disharmony will hinder overall performance.

4.7 Perceptions of the respondents with regard to the general IR climate at surface.

This section shows the results of the perceptions of the respondents when they were asked to give their opinion on the general IR climate at Surface Investments in the period under study. This is depicted in Figure 4.14.
The results in Figure 4.14 above show that 68% of the respondents indicated that there is harmony at the organization. 18% indicated that a disharmony is seen at the organization, 14% believe that a trust environment is cherished and none of the respondents believes that the current industrial climate fosters high productivity. This means that Surface is involved in interventions which improve harmony but not enough to encourage a complete trust environment and high productivity. This is in line with what Kochan (1992) indicated. He alluded to the fact that, high productivity will be realised because of high motivation and loyalty levels among the staff members. This has a bearing on mutual trust and thus a sound IR system prevails. This therefore means that a high fit between business strategy and IR strategy must be achieved if high performance is to be realised.

4.8 Perceptions of the respondents with regard to the existence of fit between HR strategy and business strategy at Surface Investments (Pvt) Ltd in the period between January 2010 to December 2012.

This section shows the results of the perceptions of the respondents when they were asked to give their opinion on whether there is a fit between HR strategy
and business strategy at Surface Investments (Pvt) Ltd in the period between January 2010 to December 2012. This is depicted in Figure 4.15.

Figure 4.15. Perceptions of respondents on the existence of fit between business and HR strategies

The results in Figure 4.15 above show that 89% of the respondents indicated that there is a medium fit between HR strategy and the business strategy. 5% indicated that a very low fit existed and the other 5% believes that there is no fit at all and 2% of the respondents opted for a high fit existence position.

5% of the respondents indicated that a very low fit existed and reasons for this according to them is that both the strategies are not working optimally due to lack of sufficient resources. The company has been affected by liquidity crunch and working capital to finance for instance training programs is limited. For the 5% who argued that there is no fit at all they argued that employees do not have job security, very little motivation and they report for duty only to defend their wages and salaries and this results in poor productivity.
The above statistics reveal that Surface is involved in processes and events which improve fit between business strategy and HR strategy but however not enough to reach high fit levels. Medium fit will not be ideal for optimal performance levels and this is why the company is in part not in a position to attain its set target of achieving 600 metric tonnes of crushed seed per day.

According to Schuler & Jackson (1987) horizontal fit generally refers to the congruence among different HRM practices and vertical fit denotes to the alignment of the HR strategy with the business strategy (Schuler & Jackson, 1987). Both types of fit (vertical and horizontal fit) are necessary if an organisation is to be highly competitive and achieve differentiation which is key to super performance. Thus SHRM helps the organization to achieve strategic fit with its market environment. As the study reveals, it means that there is no optimal fit between HR strategy and the business strategy. It means that because of lack of optimal fit, performance levels will be lower than as per the set standard and hence failure by the company to achieve 600 metric tonnes of crushed seed per day. Surface needs to introduce and improve on interventions that foster high fit between HR strategy and the business strategy if desired goal is to be attained.

Interview participants provided their perception on whether there is a fit between the HR strategy and business strategy at Surface Investments (Pvt) Ltd focusing on the period between January 2010 to December 2012).

Figure 4.16: Existence of fit between HR and business strategy at Surface Investments (Pvt) Ltd
Figure 4.16 shows perception of interviewees on existence of fit between HR and business strategy at Surface Investments (Pvt) Ltd.

The results in Figure 4.16 show that 7 out of 12 interviewees (58.33%) were of the opinion that there was high fit between the HR strategy and business strategy at Surface Investments (Pvt) Ltd and this was seen in the period from mid 2011 to December 2012. Of the results depicted 4 out of 12 interviewees (33.33%) were of the opinion that there was moderate fit, only 1 interviewee (8.34%) was of the opinion that there was a poor fit between HR strategy and business strategy and lastly none of the interviewees was of the opinion that fit between HR and business strategy was not at optimal levels. This was seen mainly in 2010 and early 2011 and lack of fit was associated with poor productivity levels.

According to Schuler & Jackson (1999) fit generally involve issues to do with alignment of HR practices, systems and events with the business strategy. The fundamental confirmation in the fit analyses is that HR systems and practices must be compatible with the business strategy and only if this is achieved can the fit be seen and desired organisational goals be attained (Lengnick-Hall, 1988). Thus, fit is therefore an essential aspect of SHRM, which is related to the efficient and effective deployment of human capital to improve the attainment of the
organisational desired outcomes. From the interview outcome, the majority (58.33%) are of the opinion that there is high fit between HR and business Strategy at Surface Investments (Pvt) Ltd. This is healthy for the organization because fit between the HR strategy and business strategy enhances achievement of goals and objectives.

Interview participants (58.33%) were of the opinion that there was a high fit between the HR strategy and business strategy at Surface Investments (Pvt) Ltd focusing on the period between January 2010 to December 2012. High fit was noted from mid 2011 and before this period fit was relatively not in existence.

The business strategy was set and the main target was to achieve 600 metric tonnes of crushed seed per day. This would see itself realizing the vision which was to achieve an annual turnover of 1.5 billion. From the data gathered from interviewees, high fit is seen in the following;

4.9 Perceptions of the respondents with regard to the impact of lack of fit between HR strategy and business strategy at Surface Investments (Pvt) Ltd in the period between January 2010 to December 2012.

This section shows the results of the perceptions of the respondents when they were asked to give their opinion on the impact of lack of fit between HR strategy and business strategy at Surface Investments (Pvt) Ltd in the period between January 2010 to December 2012. This is depicted in Table 4.2.
Table 4.2: Impact of Lack of Fit between business and HR strategies

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor productivity levels</td>
<td>11</td>
<td>25%</td>
</tr>
<tr>
<td>Failure to meet deadlines when replacing exit candidates</td>
<td>21</td>
<td>48%</td>
</tr>
<tr>
<td>Unfocused training programmes</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Poor performance management</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Inherent conflict between management and the workforce</td>
<td>6</td>
<td>14%</td>
</tr>
<tr>
<td>Low chances of accomplishing the vision of the organization</td>
<td>3</td>
<td>7%</td>
</tr>
<tr>
<td>Any other</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 4.2. Perceptions of respondents on impact of lack of fit between business and HR strategy.

Among the surveyed respondents, 48% indicated that lack of fit between HR strategy and the business strategy resulted in failure to meet deadlines when replacing exit candidates. 25% indicated that productivity levels will be low, 14% believes that there will be an inherent conflict between management and the workers, 7% argue that there will be low chances of accomplishing the vision of the organization, and 2% believed that there will be ineffective training programs, poor performance management programs and poor succession planning will result.

The above statistics reveal that Surface has been experiencing the above problems because fit between business strategy and HR strategy was not optimal. According to Schuler & Jackson (1999) fit generally involve issues to do with alignment of HR practices, systems and events with the business strategy.
However, HR practitioners ought to be highly involved when business strategy is being developed. This will ensure that the HR strategy will also be in line with the business strategy. Thus, team work is of utmost importance when developing business strategies. Medium fit will not be ideal for high productivity levels and this is why the company was in part not in a position to achieve its set target of achieving 600 metric tonnes of crushed seed per day.

Interview participants had interesting perceptions on the impact of fit or lack of fit between HR strategy and business strategy at Surface Investments (Pvt) Ltd in the period between January 2010 to December 2012.

Interviewees highlighted that in early 2010, a number of issues were associated with lack of fit between HR and business strategy. Considering Table 1.3, production statistics from January 2010 to December 2012, the trend showed that production variances were as high as 370 in the quarter April 2010 to June 2010. This is the period when functional strategies were being implemented to ensure that the set target which was to achieve 600 metric tonnes of crushed seed per day would be achieved. In this period, fit between HR and business strategy was low and that is why productivity was as low as crushing 230 metric tonnes per day against a target of 600 metric tonnes of crushed seed per day.

Lack of fit meant that recruitment was not be systematic, succession planning was next to non-existent, performance management haphazardly done, reward management biased, training not key and industrial relations not ideal for high productivity. This saw poor productivity and hence a poor fit between HR and business strategy resulted in ultimate failure to meet organisational set targets thereby affecting achievement of set goals and objectives.

Where there was fit between HR and business strategy, productivity improved. This is clear in Table 1.3, production statistics from January 2010 to December 2012. From mid 2011, the trend showed that production variances reduced.
Production variances reduced to around 0.5 metric tonnes, thus, the company was now crushing around 599.5 metric tonnes of seed per day. This was against a target of crushing 600 metric tonnes of seed per day. This result was seen in the quarter, October 2012 to December 2012. With all the HR strategies which were being implemented from June 2009, it meant fit between HR and business strategy improved and this meant that the environment for performance was improving with each quarter. As a result, where there was a high fit, high chance of achieving desired production targets and organizational goals and objectives were seen.

4.16. Chapter Summary

This chapter presented the study findings and their discussion. The major issues under discussion include the demographic information, operational HR strategy at Surface Investments, whether or not there has been fit between business strategy and HR strategy at Surface Investments and with particular reference to human resource planning, recruitment and selection, learning and development, succession planning, performance management, reward management, IR management and HR value proposition strategies. The other issue discussed was the impact of lack of fit between business strategy and HR strategy on performance at Surface Investments (Pvt) Ltd and in the period January 2010 to December 2012. The findings confirm that lack of optimal fit between business strategy and HR strategy at Surface Investments (Pvt) Ltd in the year 2010 contributed to the company failing to achieve its set target of achieving 600 metric tonnes of crushed seed per day. The findings also confirmed that when fit improved, productivity improved and this was seen from mid 2011 to December 2012. The next chapter presents the conclusions and recommendations of the study.
CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0. Introduction

This chapter outlines the conclusions drawn from the research as well as the recommendations based on the analysis of the results in Chapter Four. Recommendations and areas of further study are also provided in this chapter. The study investigated the existence of fit between HR strategy and the business strategy at Surface Investments (Pvt) Ltd and the implications for organizational performance.

5.1. Conclusions

Basing on the results of this study, the following conclusions are made;

5.1.1 To assess the degree of fit between HR strategy and the overall business strategy at Surface Investments Pvt Ltd in the period January 2010 to December 2012.

The following were the major findings of the study; in the year 2010, there was no optimal fit between HR strategy and business strategy and this was caused by a weak recruitment and selection strategy, weak learning and development strategy and a weak industrial relations strategy. This contributed to poor organizational performance in the concerned period. However, because effective human resource planning, succession planning, reward management, performance management, recruitment and selection, training management and implementation of a sound industrial relations management were now in place, there was an improvement in the fit between HR strategy and business strategy.
This was seen when company performance improved and this was from mid 2011 to December 2012.

5.1.2 To assess the impact on performance of fit (or lack of fit) between HR strategy and business strategy.

The findings confirm that, lack of optimal fit between HR strategy and business strategy resulted in the company failing to attain its set target of achieving 600 metric tonnes of crushed seed per day. By not achieving this target, the company was not in a position to attain desired performance levels in the year 2010. However when fit improved, the company performance improved and this was seen from mid 2011 to December 2012.

5.2. Testing the proposition

The study's proposition was: There has been no fit between the HR Strategy and the business strategy at Surface Investments Pvt Ltd in the period January 2010 to December 2012 and this has contributed to poor performance over the period of the study in the form of failure to achieve a set production target of 600 metric tonnes of crushed seed per day. In light of the findings of the study, the proposition of the study is partially accepted. The proposition of the study is accepted when considering productivity levels for 2010 and not accepted when considering productivity levels from mid 2011 to December 2012. This is witnessed through Table 1.3 which shows production statistics in the period 2010 to 2012.

5.3. Recommendations

In general terms, fit refers to the extent to which Human Resource policies support business strategies. The following recommendations are made to ensure
that optimal fit between HR strategy and the business strategy can always be achieved at Surface Investments (Pvt) Ltd;

5.2.1 Improve recruitment and selection strategy

Recruitment and selection strategy must be revised to ensure that it enables the HR strategy to fit well with the business strategy. This can be done by ensuring that recruitment of staff is done with the involvement of immediate superiors in most cases. Involving immediate supervisors in the recruitment process will ensure that the right candidates will be engaged, for instance candidates of right skills, attitude, and experience, technical base and correct motivation. This will ensure that the candidate will settle well and perform as per the set standards.

5.2.2 Conduct probation appraisals timeously

End of probation appraisal must be done as soon as one completes the probation period. The employee must be reviewed against the objectives and performance standards established as being appropriate for the particular post. If end of probation appraisals are conducted on time; it means that there is a limited probability of incompetent employees being incorporated into the permanent staff of the organization.

5.2.3 Induct employees timeously

Induction of new employees must be done on time. A good induction programme introduces the newcomer to his/her immediate colleagues, other workers, with whom they may have less day-to-day contact, including employee representatives on any staff committee or council. Induction training helps workers become effective quickly.
5.2.4 Improve on hand – over take - over

Hand - over and take - over from the previous job holder must be done on time if the new employee is to be effective. Hand - over and take - over will ensure that the successor gets proper guidance.

5.2.5 Improve learning and development strategy

5.2.5.1 Making full use of external training programs

External training programs must be fully utilized because when employees are removed from the workplace, disturbances are minimal and concentration improves. In addition, external training programs are good for understanding theories and concepts which are key when performing duties.

5.2.5.2 Adhere to the training budget

Surface must adhere to the training budget if the desired goal of high performance is to be achieved.

5.2.6 Improve IR strategy

The efficient production of goods and services depends to a significant extent on the existence of a harmonious IR climate. The company must employ strategies which uphold fair disciplinary and grievance handling procedures and also conduct more IR related training.

5.2.7 Strengthen HR networking

The human resource department should network and cooperate with recruitment agencies and other human resource practitioners to ensure that a pool of candidates is readily available whenever they want to recruit
new staff. Linking with human resource consultants will assist in that the company will benefit from ideas from others.

5.4. Area of Further Study

Further research needs to be done in Zimbabwe at industry level to establish the correlation between HR strategy and business strategy focusing on both the vertical and horizontal dimensions. This study was at company level and only focused on the vertical dimension of fit.

5.5. Chapter Summary

This chapter presented the conclusions drawn from the research as well as the recommendations based on the analysis of the results in Chapter Four. Recommendations and areas of further study were summarized in this chapter.
REFERENCES


Appendix 1: Research Questionnaire 1

FIT BETWEEN BUSINESS STRATEGY AND HR STRATEGY AT SURFACE INVESTMENTS (PVT) LTD (JANUARY 2010 TO DECEMBER 2012)

My name is Olice Chuma and in partial fulfillment of the requirements of the Master of Business Administration degree with the University of Zimbabwe, I am conducting a research on the existence of fit between business strategy and HR Strategy at Surface Investments (Pvt) Ltd. *Fit refers to the extent to which Human Resource policies support business strategies.* Please, kindly fill in the questionnaire. The findings will not be used for any purposes other than for academic research and the researcher assures the respondent of the strictest confidentiality in handling of information. For any clarifications regarding this study please feel free to contact the researcher on the following mobile number: 0772 724 879 or email address olicec72@gmail.com. I would be most grateful if I could have the questionnaire back not later than 14\textsuperscript{th} of December 2012.

**SECTION A: GENERAL INFORMATION (Please tick or mark with X in the box with the appropriate response)**

1. What is your position at Surface Investments (Pvt) Ltd? Manager
   - [ ] Middle Management
   - [ ] Other (Specify)

2. Gender
   - [ ] Female
   - [ ] Male

3. How long have you been at Surface Investments (Pvt) Ltd?

   Between 3 and 4 years
SECTION B: HR STRATEGY FOR SURFACE INVESTMENTS (PVT) LTD

4. Can you rank the following factors in terms of their strength in relation to the HR strategy of Surface Investments (Pvt) Ltd (Jan 2010 to Dec 2012), on the Likert scale (5= very strong; 4= strong; 3= neutral; 2= weak and 1=very weak).

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recruitment and selection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Learning and development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industrial relations management</td>
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<td></td>
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</tr>
</tbody>
</table>

5. Can you rank the following factors in terms of their strength in relation to the recruitment strategy of Surface Investments (Pvt) Ltd (Jan 2010 to Dec 2012), on the Likert scale (5= very strong; 4= strong; 3= neutral; 2= weak and 1=very weak)

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Immediate superiors are involved in the recruitment and selection process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Timeous induction is carried out</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hand over and take over process is efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>End of probation appraisal is conducted timeously</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Can you rank the following factors in terms of their strength in relation to the learning and development strategy of Surface Investments (Pvt) Ltd
(Jan 2010 to Dec 2012), on the Likert scale (5= very strong; 4= strong; 3= neutral; 2= weak and 1=very weak)

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Immediate superiors are involved in the drawing of the Training Calendar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training needs analysis questionnaires are completed by all employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>On the job training programmes are conducted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>External training programmes are conducted when necessary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training budget is strictly adhered to by all.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Have you received any training in the last two years?  Yes [ ]
   No  [ ]

8. If No, why? Please Explain…………………………………………………………………….

9. Responses to question number 11 are to be provided through questionnaire Number 2.

10. What is your general comment on the industrial relations climate at Surface Investments (Tick one answer)

<table>
<thead>
<tr>
<th>Comment</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust environment cherished</td>
<td></td>
</tr>
<tr>
<td>Harmony existing</td>
<td></td>
</tr>
<tr>
<td>Disharmony seen</td>
<td></td>
</tr>
</tbody>
</table>
SECTION C: DEGREE OF FIT BETWEEN BUSINESS STRATEGY AND HR STRATEGY AT SURFACE INVESTMENTS (PVT) LTD

11. Is there a fit between the business strategy and HR strategy at Surface Investments (Pvt) Ltd (Jan 2010 to Dec 2012), (Tick One) (Fit refers to the extent to which Human Resource policies support business strategies).

<table>
<thead>
<tr>
<th>Description</th>
<th>Tick Here</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) High fit exists</td>
<td></td>
</tr>
<tr>
<td>b) Medium fit</td>
<td></td>
</tr>
<tr>
<td>c) Very Low fit</td>
<td></td>
</tr>
<tr>
<td>d) No fit at all</td>
<td></td>
</tr>
</tbody>
</table>

a) Please explain briefly below if your answer above is c)

................................................................................................................................................................................

b) Please explain briefly below if your answer above is d)

................................................................................................................................................................................

SECTION D: IMPACT OF FIT OR LACK OF FIT BETWEEN BUSINESS STRATEGY AND HR STRATEGY

12. What do you think is the impact of lack of fit between business strategy and HR strategy at Surface Investments (Pvt) Ltd (Jan 2010 to Dec 2012), (Tick one answer) (Fit refers to the extent to which Human Resource Policies support business strategies).

<table>
<thead>
<tr>
<th>Impact of lack of Fit</th>
<th>Tick here</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>i.</td>
<td>Poor productivity levels</td>
</tr>
<tr>
<td>ii.</td>
<td>Failure to meet deadlines when replacing exit candidates</td>
</tr>
<tr>
<td>iii.</td>
<td>Unfocused training programmes</td>
</tr>
<tr>
<td>iv.</td>
<td>Poor performance management</td>
</tr>
<tr>
<td>v.</td>
<td>Inherent conflict between management and the workforce</td>
</tr>
<tr>
<td>vi.</td>
<td>Low chances of accomplishing the vision of the organization</td>
</tr>
<tr>
<td>vii.</td>
<td>Any other <em>(specify)</em> ....................................................</td>
</tr>
</tbody>
</table>

*THANK YOU FOR YOUR TIME*
Appendix 2: Research Questionnaire 2 (For selected Respondents)

**FIT BETWEEN BUSINESS STRATEGY AND HR STRATEGY AT SURFACE INVESTMENTS (PVT) LTD (JANUARY 2010 TO DECEMBER 2012)**

My name is Olice Chuma and in partial fulfillment of the requirements of the Master of Business Administration degree with the University of Zimbabwe, I am conducting a research on the existence of fit between business strategy and HR Strategy at Surface Investments (Pvt) Ltd. *Fit refers to the extent to which Human Resource policies support business strategies.* Please, kindly fill in the questionnaire. The findings will not be used for any purposes other than for academic research and the researcher assures the respondent of the strictest confidentiality in handling of information. For any clarifications regarding this study please feel free to contact the researcher on the following mobile number: 0772 724 879 or email address olice72@gmail.com. I would be most grateful if I could have the questionnaire back not later than 14th of December 2012.

**SECTION C: HR STRATEGY FOR SURFACE INVESTMENTS (PVT) LTD**

11. Can you rank the following factors in terms of their strength in relation to the industrial relations management for Surface Investments (Pvt) Ltd (Jan 2009 to Jun 2011), on the Likert scale (5= very strong; 4= strong; 3= neutral; 2= weak and 1=very weak)

<table>
<thead>
<tr>
<th>No</th>
<th>Factor</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workers committee in place</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Works council meetings being conducted as per the plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair disciplinary handling procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>--------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair grievance handling procedures</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Labour Act and related Statutory</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruments being complied with</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employees free to join trade unions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial relations related training</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>being conducted</td>
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</tr>
</tbody>
</table>
Appendix 3: Interview Guide (For selected Respondents)

EXISTENCE OF FIT BETWEEN BUSINESS STRATEGY AND HR STRATEGY AT SURFACE INVESTMENTS (PVT) LTD (JANUARY 2010 TO DECEMBER 2012)

My name is Olice Chuma and in partial fulfillment of the requirements of the Master of Business Administration degree with the University of Zimbabwe, I am conducting a research on the existence of fit between business strategy and HR Strategy at Surface Investments (Pvt) Ltd. **Fit refers to the extent to which Human Resource policies support business strategies.** An interview will be conducted with the participants and findings will not be used for any purposes other than for academic research and the researcher assures the respondent of the strictest confidentiality in handling of information. For any clarifications regarding this study an interview participant is free to ask any question for clarification or contact the researcher on the following mobile number: 0772 724 879 or email address olicec72@gmail.com.

**SECTION A: GENERAL INFORMATION**

1. What is your position at Surface Investments (Pvt) Ltd? Manager [ ] Middle Management [ ]

2. Gender Male [ ] Female [ ]
3. How long have you been at Surface Investments (Pvt) Ltd?

<table>
<thead>
<tr>
<th>Time Range</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 3 and 3.9 years</td>
<td></td>
</tr>
<tr>
<td>Between 4 and 4.9 years</td>
<td></td>
</tr>
<tr>
<td>Between 5 and 5.9 years</td>
<td></td>
</tr>
<tr>
<td>6 years and more</td>
<td></td>
</tr>
</tbody>
</table>

**SECTION B: HR STRATEGY FOR SURFACE INVESTMENTS (PVT) LTD**

4. Is there an HR strategy at Surface Investments (Pvt) Ltd?

5. What elements of HR strategy are you aware of at Surface Investments (Pvt) Ltd?

6. Can you explain what you know about elements of the HR strategy and their application at Surface Investments (Pvt) Ltd?

**SECTION C: DEGREE OF FIT BETWEEN BUSINESS AND HR STRATEGY AT SURFACE INVESTMENTS (PVT) LTD**

7. Is there a fit between business strategy and HR strategy at Surface Investments (Pvt) Ltd focusing on the period between January 2010 to December 2012?

8. Can you explain your answer to question 7?

**SECTION D: IMPACT OF FIT OR LACK OF FIT BETWEEN BUSINESS STRATEGY AND HR STRATEGY**

9. What do you think is the impact of fit or lack of fit between business strategy and HR strategy at Surface Investments (Pvt) Ltd focusing on the period between January 2010 to December 2012?

**THANK YOU FOR YOUR TIME**