1 Introduction

1.1 Purpose of the Chapter

The ideals of engaged scholarship (Van de Ven 2007) encourage the collaboration between academics and practitioners with a view to creating practitioner-meaningful research underpinned by the rigor of scientific methodology. The quest for this collaboration transcends the vocation of academics and industry practitioners, moving into business disciplines. Empirically, there are many interdisciplinary studies among strategy, management, accounting, marketing, sales, finance, and operations management. Examples include Birts et al. (1997) who presented the story of a research exercise that encompassed the disciplines of finance, accountancy, marketing, organizational behavior, and strategy as well as the work of Karmarkar (1996) which brought together models, methods, and techniques from marketing and operations. However, interdisciplinary studies between Human Resources (HR)—the division of a company that focuses on activities relating to employees—and other major business disciplines are not as popular. Considering the opportunity that exists in this area of research, this chapter covers many different avenues. We start by looking at the impact of Strategic Human Resources Management (SHRM) as well as the concepts and practices that guide and align Human Resource Management (HRM). Next, we focus on the function in organizations designed to maximize employee performance of an employer’s strategic objectives philosophy. We also look towards enabling Production and Operations Management (POM), a process which combines and transforms various resources used in the production/operations subsystem of the organization in order to create Sustained Competitive Advantage (SCA)—a long-term competitive advantage for the business.

1.2 Background

Barney (1991) put forward a model for analyzing how firm resources could potentially generate sustained competitive advantage. Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by the firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Barney 1991). These firm resources were categorized into three—Physical Capital Resources (technology, plant and equipment, stores, etc.); Human Capital Resources (experience, training,
talent, insights of individual managers, team dynamics, workers in the firm, etc.); and Organizational Capital Resources (formal reporting structure, coordinating systems, tactical processes, etc.) (Barney 1991). With respect to human capital resources, Rastogi (2000) indicated that, in today’s volatile business environment, the competitive advantages of firms are temporary. Top management does not, and cannot, have all the answers to increasingly complex and rapidly changing problem situations facing the firm. In such a context, people of an organization constitute its core resource for continuous competitiveness. This resource comprises people’s individual and collective learning and knowledge, skills and expertise, creativity and innovation, competencies, and capabilities (i.e., people’s continuous capacity for providing customer-valued outcomes) (Rastogi 2000). Additionally, Barney (1991) also alluded to this context in his research.

Furthering the human capital resources discussion, Hatch and Dyer (2004) stated that, in the resource-based view of the firm, human capital is frequently assumed to contribute to competitive advantage due to its inimitability based on its intangible, firm-specific, and socially complex nature. Consistent with this view, they found that investments in firm-specific human capital have a significant impact on learning and firm performance. More specifically, human capital selection (education requirements and screening), development through training, and deployment significantly improve and increase instances of learning by doing, which in turn improves performance.

Shaw et al. (2013) indicated that the focus on human capital as a source of competitive advantage has intensified the need for organizations not only to understand and win the talent war but has also led to a tighter integration between strategic management (SM) and SHRM from the Resource-Based View (RBV). Note that strategic management refers to the formulation and implementation of the major goals and initiatives taken by a company’s top management while Strategic Human Resources Management refers to the application of a bundle of valuable tangible or intangible resources at the firm’s disposal. The RBV has shifted the focus of SM literature on sources of competitive advantage from external factors, such as industry positions, to idiosyncratic internal factors, such as human capital accumulations (Shaw et al. 2013). With the generally held belief that SHRM facilitates the acquisition, development, deployment (or mobility), retention, and transition (or separation) of Human Capital Resources (HCR), it becomes imperative to study how SHRM enables POM with a view to creating a SCA.

Targeted dimensions of focus in this chapter include the strategic rationale for both disciplines, SHRM and POM, in working together in synergistic ways. These ways include the functional connection points of HR practices and supply chain operations, the enabling thoughts and perspectives from industry production and operations leaders as well as frameworks for thinking, analyzing, and implementing HR function practices that enable POM. The strategic opportunity in this work is to further extend the discussion on the interaction between HR and POM and provide a framework for transforming that interaction into sustainable competitive advantage for the business.

2 A Call for Synergy Between Human Resources and Production and Operations Management

2.1 A Strategic Imperative—Review of the Literature

In this section, we present a discussion of the literature related to the HR competency dimensions of the study using multiple empirical studies identified for review and presented in topical order of research.
2.2 Current Trends in Human Resources Management (HRM)

A number of trends are surfacing in the field of HRM. Important trends worthy of consideration here are human capital research and analytics, integrating HR practices with other functions, and the role of organization development in the HR function. These trending topics are discussed within the strategic context of enabling POM in the delivery of sustained competitive advantage to the business.

2.2.1 Human Capital Research and Analytics

Fink (2010) looked at the trending issue of Human Capital Analytics (HCA)—techniques to help articulate the impact of human capital investments—while also writing about the need to understand work being done in the analytics world. As organizations seek to transition to a more data-driven profession, there is little available information to guide them on the most useful approach to integrating HCA into daily organizational practices (Fink 2010). Fink also sought to understand the leading-edge data analytics practices of peers at respected organizations, so as to adapt, extend, or be inspired by their work. This study found that linkages across multiple and multi-functional data sets are quite useful. The linking of recruiting and staffing data to performance data within 12 and 24 months of hiring a new employee helps to improve the quality of hire (Fink 2010). It also helps in the development and validation of selection procedures that ensure it is tied to succession planning and ultimately an end-to-end recruitment of talent.

Furthermore, capturing different dimensions of culture and Employee Value Proposition (EVP)—a unique set of offerings, associations, and values to positively influence target candidates and employees—helps to inform decision making. From a methods standpoint, organizations use regression analysis, a family of statistical methods designed to test a conceptual or theoretical model known as Structural Equation Modeling (SEM), discrete choice analysis, latent growth curve modeling, and ethnographic methods to establish linkages and patterns in order to gain insights (Fink 2010). While HR tends to be the primary user of these analytics, the POM function benefits extensively by using HRA in the attraction, development, deployment, and retention of talent as well as organizational practices that lead to increased employee engagement and productivity.

2.2.2 Integrating HR Practices with POM

Menon (2012) studied management and HR practices that lead to executives’ satisfaction with the performance of an organization’s supply chain and with employee wellbeing. The objective of this study was to develop recommendations for practicing managers. Menon (2012) tested hypotheses linking executives’ satisfaction with supply chain performance to non-traditional HR practices like flexible job descriptions and teamwork training. The results of the study identified specific HR practices, such as flexible job descriptions, teamwork training, and the use of performance metrics to determine rewards are significantly related to satisfaction with supply chain performance.

2.2.3 Organizational Development (OD) and Human Resources (HR) in Production and Operations Management (POM)

Organizational Development (OD) is a field of research, theory, and practice dedicated to organizational change and performance. Schein (2010) studied the role of OD in the HR function as an innovation-oriented function and labeled it as a current trend which helps to facilitate needed cultural changes in the organization and across the business functions (Schein 2010).
According to Schein (2010), results assert a failure to recognize the following five important trends between HR and OD:

- All of the organizational functions are becoming more complex and technologically sophisticated (e.g., POM leading to the creation of subcultures based on different occupational technologies such as SCM).
- The rapid evolution of information technology has changed the nature of work and the nature of organizing in dramatic ways, stimulating innovation in OD and challenging some of the most sacred cows of the HR culture.
- The world is becoming more of a global village in which the interdependencies between countries and between organizations are increasing dramatically (e.g., global supply chains).
- Due to the complexity that arises from cultural diversity, culture is a group’s learned response to the problem of survival in the external environment and the problem of internal integration (e.g., process management).
- The fundamental function of organizations is being reexamined around the issues of social responsibility and business ethics.

The implications of these five factors for both OD and HR are staggering, but the impact is not the same on both functions. OD has always been the more innovation-oriented function while HR is typically expected to be stable and conservative. In order to determine how employees are paid and disciplined, companies require systems that are reasonably transparent and predictable (Schein 2010). This therefore delineates the strategic and tactical roles of OD/HR in partnership with POM.

Schein (2010) highlights “The Professional HR Manager” role. This is the role in which HR managers became change agents and process consultants, advising managers on the most efficient and effective end-to-end organizational and HR processes to enable POM achieve its goals. This role focuses on learning about best practices of the profession externally and implementing such within the organization. To fulfill this role, the HR manager has to have new and powerful influence along with change agent skills. In particular, he or she has to be able to think of the organization in broader systemic terms and be able to get that perspective across to the executive suite. This role is important for POM because it will help lead the paradigm shift from a local to global functional context. Schein (2010) recommends a study to evaluate how much of HR and OD responsibilities have transitioned from HR and OD professionals to line managers. Recommended questions should elicit patterns, motivations, trends, current status, and future projections.

### 2.3 Best Practices in Human Resources Management (HRM)

The appropriateness of the concept of “best practices” in modern management has been debated extensively (Stavrou et al. 2010). Despite that, this next section will do a review of literature on some contemporary best practices such as the evolution of the HR role into internal consulting and the linkage between HRM and organizational performance. While this article does not specifically focus on POM performance, the functional context of POM is a subset of organizational performance, hence the relevance of the section.

#### 2.3.1 Internal HR Professionals and POM

Grima and Trepo (2011) assessed the benefits that Internal Manager-Clients (IMCs)—people managers within the organization—draw from their relationships with Internal Consultants (INCs)—HR managers who are employees of the firm responsible for collaborating with people
managers—in terms of skill transfer, intervention success, and implementation. They articulate a consulting relationship between HR and POM, thereby referring to people managers as IMCs, Internal HR managers as INCs, and external HR consultants as External Consultants (EXCs)—contracted non-employees of the firm. They also looked at what other elements IMCs value in their relationship with INCs (Grima and Trepo 2011). Results showed that IMCs value a low-cost internal provider who can deliver high-quality service in terms of both time commitment to the IMC and diversity of the contributions (Grima and Trepo 2011). Essentially, INCs delivered greater value than EXCs. INCs were considered better than EXCs in complex tasks because INCs connected IMCs to more sources of organizational innovation (Grima and Trepo 2011). The relevance of this study to POM is that it established the higher value contribution of internal HR professionals in helping to anticipate and solve the various business issues and challenges POM professionals encounter.

2.3.2 Human Resources (HR) and the Organizational Performance Linkage

The linkage between HRM and organizational performance came under review in Safdar (2011). The study sought to extend the theoretical and methodological debate on the issue of the linkage between HRM and performance. There were three questions asked in this survey: (1) what is HRM, (2) what is performance, and (3) what is the nature of the link between HRM and performance? Results of the study showed a lack of consensus on the definition of HRM. The survey defined performance as the achievement of predetermined goals and outputs. While POM is seen as human-centric, the output focus of the function (e.g., tonnage of products made per shift of eight hours or freight travel time from point A to point B) underscores the performance emphasis of the function—hence, the emphasis on the HRM–performance linkage. A finding of the study that performance management relates to the coordination and measurement of individual performance in line with organization's goals and objectives support this thought (Safdar 2011). Results also show that the nature of the link between HRM and performance is enhanced when outcome variables closely linked to HR interventions of multiple individual HR practices or systems/bundles of practices are used, for example, attitudinal outcomes (e.g., employee motivation, commitment, and trust); behavioral outcomes (e.g., employee turnover, absence); productivity (output per unit effort); and the quality of services or products (Safdar 2011).

2.3.3 The HR–Performance Linkage and Geographic Implications

Stavrou et al. (2010) explore the importance of geographic context on the link between HRM and firm performance. Hypotheses tested related to regional geographic differences and performance of unique HR functions. The results revealed three regions in Europe: the North-Western region, the Anglo-Irish region, and the Central Southern region. While the relationship of the training and development bundle to performance is highest in the Anglo-Irish region, it is lowest in the Central-Southern region. In high-performance-oriented cultures, training and development are highly connected to performance. Conversely, in the opposite sets of cultures, training and development are connected to factors other than performance (Stavrou et al. 2010). It also shows that no perfect or universal set of best practices exists, but rather a combination of “best practice” and “best fit” depending on bundle and region (Stavrou et al. 2010). Overall, the results confirm the value of a combination of the “best fit” and “best practice” approach to the HRM–performance link: the correlation between HRM practices and performance is sometimes consistent across Europe while other times it varies with region (Stavrou et al. 2010). The results raise issues about the universal applicability of HRM performance research and have implications
for the standardization of HRM policies and practices within internationally operating organizations (Stavrou et al. 2010).

2.3.4 The HR–Performance Linkage and Learning

Over the past several years, there have been intensive discussions about the role of HRM as a key asset in today’s organizations (Theriou and Chatzoglou 2014). However, a central issue in this line of research refers to the limited empirical exploration of the causal mechanisms through which these HR practices lead to greater firm performance. Theriou and Chatzoglou (2014) empirically sought to examine the relationships between best HRM practices such as Knowledge Management (KM), the systematic management of an organization’s knowledge; Organizational Learning (OL), a way in which the organization sustainably improves its utilization of knowledge; and Organizational Capabilities (OC)—the collective skills, abilities, and expertise of an organization, as well as their impact on organizational performance using Structured Equation Modeling (SEM). Results indicate that manufacturing firms pursuing best HRM practices achieve higher performance through the interaction of these practices with KM and OL and the creation of OC. A significant positive relationship exists between best HRM practices, KM, and OL processes. Additionally, a positive relationship between OL and KM is also demonstrated, as KM is positively related to OC and a significant positive relationship is shown between OC and organizational performance.

2.4 Current Issues in Production and Operations Management (POM)

Having discussed trends and best practices in HRM, understanding contemporary issues in POM is necessary in order to be able to establish the connection between the two functions but, more importantly, how HR enables POM.

2.4.1 Human Resources (HR) and Production and Operations Management (POM) Research

Empirical studies and top management now recognize the significant impact of superior operations and Supply Chain Management (SCM)—the active management of supply chain activities—competency on financial performance. SCM has emerged as a strategic organizational process driven by human interaction. Hohenstein et al. (2014)’s work provides insights and analysis of HRM issues in SCM research published in leading academic journals. Their study had three goals: to analyze HRM/SCM issues published in leading SCM journals, to identify different HRM research streams in the SCM literature, and to propose areas for future research (Hohenstein et al. 2014). Research questions asked in their research are: (1) how HRM issues in SCM research developed in recent times and (2) how can HRM literature in SCM research be classified into different research streams? Their paper employs a systematic literature review methodology, categorizing the selected journal articles based on an analytical framework that contains seven HRM/SCM research streams derived from the extant literature (Hohenstein et al. 2014, p. 440). The streams and their definitions are:

- Knowledge, Skills, and Abilities (KSAs)—“competencies that a manager possesses to carry out tasks in a competent manner for effective work performance and to add value for competitive advantage”
• Training and Development—"the systematic acquisition and development of necessary skills, knowledge, and abilities by managers and employees to successfully perform a task/job or to improve work performance"

• HRM Impact on Performance—"the pattern of global HRM deployments and practices that relate to overall organizational performance (theoretically or empirically) and that significantly impact SCM success"

• Education and Teaching—"integrated, effective, and high-quality SCM curricula that apply appropriate instructional methods to produce higher quality graduates and to help students gain the competencies that industry demands to compete in global business"

• Hiring and Recruiting—"creating the largest pool of qualified and talented employees with the desired skills, knowledge, and abilities by using appropriate selection techniques"

• Compensation and Pay—"financial returns, such as fixed and variable payments, tangible services and benefits that employees receive for their work contribution"

• Global Mindset—"a diverse bundle of experiences, perceptions, and insights to effectively manage and compete in the dynamic and globally oriented economy."

Results reveal that several researchers argue that SCM is a human-centric discipline and stress the strategic importance of HRM in this context. This is in line with the findings that indicate HRM's increasing significance in SCM, pertaining to recruiting and retaining the most qualified and talented employees (Hohenstein et al. 2014). The first research stream was skills, knowledge, and abilities. The majority of articles focus on the competencies that supply chain managers need in order to add value and contribute to firms' competitive advantage. They are problem solving, managing ambiguity, and being strong multi-level communicators and global citizens. The second research stream was training and development. Internal, executive, or post-secondary training programs can assess proficiencies and provide employees with best practices while increasing the necessary competencies for certain positions in order to ensure superior job performance. The third research stream was HRM impact on performance. HRM becomes an important source of competitive advantage globally through recruiting, retaining, developing, and managing valuable supply chain employees. The fourth research stream was education and teaching. SCM education and teaching are changing in order to meet the more demanding qualification criteria of SCM positions in industry. The fifth research stream was hiring and recruiting.

The growing global demand for managerial SCM talent is pressing on a comparatively small pool of potential candidates. As skills, knowledge, and abilities are assessed as predictors of superior job performance, employee selection and hiring decisions often rely on these attributes. The sixth research stream was compensation and pay. Due to the predicted future shortage of SCM talent, compensation levels are expected to rise according to supply chain managers' increasing value. The seventh research stream was global mindset. Global orientation, open-mindedness, and understanding cultural diversity are core attributes for supply chain managers working amid increasing globalization and shifting target markets. These lead to global organizations with multicultural differences (Hohenstein et al. 2014).

The conclusion, based on the structured literature review of 109 academic peer-reviewed articles, advances the present body of SCM literature by selecting, classifying, and analyzing HRM/SCM literature published in leading academic journals from 1998 to 2014. As such, this paper provides key insights on where research has been and where additional future research on the important topic of the HRM/SCM interface is needed (Hohenstein et al. 2014).
2.4.2 HR and Operations Practices and Organizational Performance

de Menezes et al. (2010) focus on the integration of HRM and OM practices and its potential impact on performance. The assumption is that there is a philosophy or culture underlying the integration of HRM and OM practices, whose principles are not only concerned with eliminating waste and adding value for customers (lean production), but also entail the pursuit of continuous improvements (de Menezes et al. 2010). Four propositions were tested: (1) OM and HRM practices that are associated with the lean production concept are integrated; (2) the integration of OM and HRM practices associated with the lean production concept is linked to performance; (3) there is a pattern in the evolution of lean practices, so firms can be classified according to their adoption stages; and (4) there is an association between stages of evolution and performance. Results show a significant correlation in practice use over a 24-year period (i.e., OM or HRM practices were not being adopted independently but were integrated). Second, integrated OM and HRM practices are positively linked with productivity. Third, results indicate that there are three clearly identifiable stages in the evolution of lean practices. Finally, that continuous improvement is achieved through a longer period of integrating practices suggests first-mover advantage (de Menezes et al. 2010).

2.4.3 Group Social Dynamics and Performance

Bendoly et al. (2010) sought to clarify the role of individual behavioral traits in driving project dynamics and performance, consequently adding to decision makers’ understanding of the levers they might utilize in project management contexts. For POM practitioners, some of the findings are particularly revealing. Excellent technical skills and intuition certainly may be insufficient to drive performance if not accompanied by appropriate levels of interpersonal interaction within project groups. However, individuals that value such interactions will likely seek such interactions out. Additionally, it seems that the same individuals who believe in their ability to control and positively impact outcomes as well as feeling a sense of responsibility in group work may be the very ones most critical in driving project agendas. These may not be the most skilled workers. Rather, high-level managers overseeing project organization should take care to ensure a range of training opportunities exist to shore up any deficits in such individual attributes that could stymie project flow and performance (Bendoly et al. 2010).

2.4.4 Cross-Functional Coordination, Information Systems Capability, and Performance

Bendoly et al. (2012) indicate that coordination efforts that access and align relevant cross-functional expertise are regarded as an essential element of innovation success. These efforts have been further augmented through complementary investments in information systems, which provide the technological platforms for information sharing and coordination across functional and organizational boundaries. Somewhat overlooked has been the critical mediating role of the intelligence gained through these efforts and capabilities (i.e., the value added by the intelligence gained in improving the success rate of innovation ideas). This study finds that internal and external coordination are both synergistically complemented by Information Systems (IS)—an integrated set of components for collecting, storing, and processing data—capabilities in their impact on the creation of high-quality actionable intelligence, a crucial mediating factor for the enhancement of New Product Development (NPD)—the development process for a new product or service—performance. Market dynamics appear to be relevant as far as the applicability of this
intelligence toward NPD performance is concerned, with many of their effects accentuated in more dynamic market environments (Bendoly et al. 2012).

2.4.5 Systems Thinking and Performance

Bendoly (2014) states that systems thinking has proven useful in project management planning activities and has been suggested as a critical driver of a range of beneficial organizational behaviors. Yet, empirical evidence on the myriad of ways in which systems thinking can impact internal project dynamics and performance remains limited. This study focuses on one aspect of systems thinking in particular: the ability to recognize and understand the dynamics of systems and their features (e.g., feedback and delay). Results show that all hypotheses tested are supported:

H1: In group project contexts, the system dynamics understanding possessed by a group will have a significant positive impact on performance.

H2: The relationship between group system dynamics understanding and project performance is partially mediated by the quality of information shared in the group setting.

H3: The similarity in system dynamics understanding among members of a project team and project performance is partially mediated by the degree of psychological safety among members of the team.

A final issue worth further consideration stems from the study’s fundamental focus on System Dynamics Understanding (SDU)—a method for understanding, designing, and managing change—as an aspect of the larger systems thinking concept (Bendoly 2014).

3 Professional Perspective

The presented literature review rightly underscores key elements of the SHRM, POM, and SCA linkage. To triangulate the findings and conclusions from the literature review, this section discusses a study conducted on senior business leaders in HR and POM in order to see if the same or similar conclusions are produced.

3.1 Explanatory Survey with HR and POM Leaders—“A Synthesis of Needs”

To advance the discussion of the interaction between HR and POM, hearing directly from functional leaders in HR and POM, through a simple illustrative survey (however not intended to be statistically significant or representative of managers’ views) on how well the interaction has performed and expectations for the future, is a beneficial endeavor. A questionnaire composed of open-ended, closed-ended, and scale questions was used to elicit the professional opinion of participants on the impact of SHRM on POM to deliver SCA. The response rate was 40% and then the responses were subsequently analyzed using a bottom-up narrative analytical approach.

The professionals surveyed were functional leaders in POM, HR, HR Operations, or directly related subfunctions with a minimum professional experience of fifteen years in POM, HR, or both. They occupied decision-making positions within their organization, which were medium to large organizations with clearly delineated HR and POM functions or departments.

This survey intended to confirm the findings from the literature review, especially as HR assumes the conscience of the organization, bringing in new knowledge and practices into the various functions within the organization to be able to achieve expected superior performance (Schein 2010). To achieve this purpose, four research questions were developed. The need to
get real insights from professionals by soliciting an evaluation of the value contribution of the interaction between HR and POM, and vision of the future formed the basis for the research questions (RQs). The four research questions are:

1. How is the overall role of SHRM evaluated by industry production and operations leaders and managers?
2. How is the partnership role of SHRM with POM evaluated by industry Human Resources leaders and managers?
3. What is the contemporary role of SHRM in POM?
4. How can SHRM enable POM?

### 3.2 Results

#### 3.2.1 How Is the Overall Role of SHRM Evaluated by Industry Production and Operations Leaders and Managers?

All respondents who indicated Operations as their functional area evaluated the role of SHRM favorably. 83% of responses describe HR as either a change agent, helping to define behaviors necessary to deliver enterprise wide change initiatives or strategic partners helping to align HR strategy and tactics to business plans. In addition, 89% of responses indicate interaction with HR at very critical points of employee life cycle (i.e., staffing and recruiting, training and development, retention and deployment). In the words of a managing director for regional operations of a global financial services company: “We are in an operating situation where there are significant changes to the size of the workforce. HR works with us to understand these trends ahead of time and help create the right managerial strategies to address the same.” The same respondent, in sharing an example of a business accomplishment facilitated by strategic HR partnership, said:

> I have been in startup business situations where HR successfully partnered with me in terms of attracting and retaining the right talent within the organizational constraints. The partnership helped ensure that the business could be launched on time and we had a bunch of high performing employees in place to grow it.

#### 3.2.2 How Is the Partnership Role of SHRM with POM Evaluated by Industry Human Resources Leaders and Managers?

This is a self-evaluation by HR leaders and managers on how well SHRM has interacted with POM. 100% of respondents who indicated Human Resources as their functional area evaluated their SHRM role in POM favorably. Those same respondents also worked at least closely with Operations professionals, with 75% of respondents being dedicated partners to the operations professionals. This aligns with perceived clarity of purpose expressed by the HR respondents that indicated interaction with Operations was strategic and that Operations professionals had an understanding of Strategic Human Resources. One of the respondents, a Director of HR at a global insurance services firm said:

> In my experience, most of the business leaders I provide HR counsel to understand that HR is an important component of how they manage their teams. Examples include organization design, resource planning, culture, recognition, reward, talent planning/succession, and motivation. I have had some leaders that do not understand the role of strategic HR, but luckily these have been fewer than the ones that do.
3.2.3 What Is the Contemporary Role of SHRM in POM?

In articulating the contemporary role of SHRM in POM, respondents indicated contemporary issues to include the retention of talented people, optimizing workforce diversity, continuous training and development of workforce, skills shortage, employee work ethics, product quality, and keeping employees motivated and engaged in an increasingly competitive market environment. In addition, they also indicated a need for these other issues: offering flexible work arrangements especially in business environments where customers need to be served “round the clock” and employees want a “9-to-5” job, consistent and open communication, continuous deployment of modern technology, and staying current with the legal requirements for working. Respondents indicated that SHRM plays a major role in resolving these contemporary issues by helping managers develop career paths for employees and line managers, providing training and development strategies to keep workforces highly skilled, coaching managers on respective employment laws to ensure compliance, facilitating talent management and succession planning to ensure the long-term sustainability of the organization. It also helps managers design challenging and rewarding jobs, helps partners with managers to develop creative solutions to changing workforce dimensions, and ensures open communication with staff on organization goals and strategies to help staff connect their work to the bigger organizational goals.

3.2.4 How Can SHRM Enable POM?

Respondents articulated the role of SHRM in enabling POM creates a sustained competitive advantage around the following themes—attracting, developing, and retaining talent; helping to keep operating costs low through innovative HR practices; and employee initiatives. Proactive redesign of organizational structure and jobs to deliver changing business priorities and workforces. SHRM also enables the use of data in decision making and action and in helping to build leadership capabilities.

3.3 Survey Conclusions

The results of this research study show HR as a value contributor and a major stakeholder in achieving organizational goals. Conclusions are summarized in themes below.

3.3.1 HR and POM Partnership

With respect to Section 3.2.1, both operations leaders and managers evaluated the role of SHRM positively and they consider HR to be a strategic and change partner in the business. This is not surprising as the clamor for HR to be a strategic business partner has been ongoing for more than four decades. Schein (2010, p. 8) indicated in a 1975 article for the *Journal of the College and University Personnel Association* that:

I outlined what at that time seemed to be the major change that the HR function was undergoing (Schein 1975). I noted that HR Managers were of necessity, becoming change agents and process consultants. This role shift was in part the result of the professionalization of the function. More was known about employee motivation, career development, leadership and management development, and it was often the role of the HR manager to bring the research knowledge and practice into the organization.
The constant communication of this strategic partnership imperative has impressed itself in the organizational subconscious, which is an evident answer to Section 3.2.2 in the evaluation of the partnership role of SHRM with POM by HR and Operations professionals alike as favorable and value adding. As professionals in both functions identify contemporary issues and future challenges centering around talent availability and retention, workforce development, optimizing workforce diversity, business operating costs, a thriving work environment with flexibility, and the employment legal framework, POM professionals expect SHRM to evolve solutions and practices around these themes to create a sustained competitive advantage for the organization.

3.3.2 HR and POM Best Practices

In Sections 3.2.3 and 3.2.4, the contemporary role of SHRM in POM and how SHRM can enable POM revolve around the customized best practices that HR can partner with POM in designing, to address various contemporary issues identified in the data analysis and results part of the chapter, Section 3.2.3. The survey response alluded to the changes in size and nature of the workforce. Operations professionals look up to their HR colleagues to understand the trends driving these changes ahead of time and help create the right people strategies to address them. The workforce is getting more technology savvy, more oriented toward immediate gratification, and more likely to perform various life and work activities on a mobile device. These have triggered the need for strategies in the different stages of the Employee Life Cycle (ELC)—the various stages of the employment process from recruitment to termination—to optimize the opportunities, potentials, and value of the predominant workforce characteristics (as opposed to generation) in each ELC stage. Many scholars have studied the various generations in the workforce and developed profiles of who they are, what they do, their affinities, how to work with them, and strategies for getting the best out of the different generations. A best practice these scholars recommend is to define a set of characteristics, competencies (with required minimum proficiencies), and skills (all hereafter referred to as “capabilities”) needed by the organization in the various stages of the ELC and articulate strategies to deliver these capabilities to the organization in the most efficient way.

This approach is recommended as the changing nature of global business, driven by technology is producing a dynamic of workforce capabilities rebalancing. This is when a capability or bundle of capabilities that used to be a unique strength of a particular workforce generation becomes a base competency across all or many workforce generations, ceasing to be a competitive edge for a particular workforce generation. For example, because baby boomers are living longer due to healthcare innovations, they are staying in the workplace longer and recognize that, for them to continue to be useful in the workplace, they need to build their technology capabilities. While the prevalence of baby boomers who have reinvented themselves do not compare to technology savvy generation “Ys” or “millennials,” the reality of the situation is not lost on the other generations. Now, being “technology savvy” (which used to largely be a Unique Selling Proposition (USP)—the factor or consideration presented by a seller as the reason that one product or service is different from and better than that of the competition) of generation “Ys” and “millennials” is now a base competency available in any generation. The differentiator is technical knowledge of a particular software, database, programming language, process, or methodology.

Some of the strategies HR has deployed in the learning and development function to regularly provide real-time learning to the workforce is a series of “how to” videos that run from a few seconds to a few minutes. They teach employees how to use a tool, run a process, use a certain
functionality in Excel, etc. This strategy mirrors the various “do-it-yourself” videos on YouTube and the teaching methodology on online learning portals like KhanAcademy.com. For some big institutions in large industries like financial services or manufacturing, strategies deployed to reinvent tenured employees in the decline stage of their career is to leverage them in areas of work that require significant historical backdrop. Examples include community relations, regulatory functions, operational areas of the organization that still depend on knowledge of old methods and processes to function.

In the areas of talent, respondents are either seeing high turnover or higher threats of losing talents and demand HR to help articulate strategies for retaining them. Some ideas now available in the workplace include the computation of a talent risk factor and threshold, which flags for when a company is at the risk of losing a talent. The risk factor and threshold is computed based on real-life scenarios and industry and environmental dynamics. While this is a backstop as organizations are expected to be in constant interaction with their talents, developing and deploying them accordingly, the talent risk factor and threshold gives organizations an edge in recognizing situations and circumstances that may cause the loss of a talent and subsequently remedy it. Another approach to developing and keeping people is building a culture that expects people to change jobs after 24–36 months in a role. This is different from setting a minimum timeframe for which an employee can be in a job before they can move. This “culturally encouraged self-obligatory job change” strategy forces employees to think of their self-development and career growth regularly. It embeds a personal culture of self-improvement and to the extent that the organization can provide career opportunities and has resources and systems that facilitate the acquisition, synthesis, use, sharing, and feedback of information; this is a great way of building a learning organization as decisions in learning organizations are driven by data and intelligence derived from cross-pollination activities.

3.3.3 HR as a Change Agent

Operations Managers and their HR colleagues need to develop strategies that drive engagement and ownership through initiatives that make the organization a great place to work, supported by a rewards and recognition program. Employees are encouraged to bring to the workplace ideas and activities they do in their own time to enrich their lives and share with other members of staff. They are encouraged to design activities, learning programs, and job improvement ideas that help the employees become what they want to be in the workplace or that make their work easier to perform. These actions strengthen the community, sense of belonging, and the culture of the organization. These are all elements necessary for companies to retain the best talent and grow into a high performing organization.

Summarily, the survey revealed similar key points identified in the literature review. POM professionals are concerned about performance and productivity, managing change seamlessly, talent acquisition, development, retention, motivation, and optimal deployment, putting in place an effective and efficient rewards and recognition program, lean manufacturing, and labor outsourcing. In a similar vein, a recurring response in the survey was for POM professionals to have greater partnership with HR in order to address these key concerns in a strategic and beneficial manner for the organization.

4 HR Enabling POM to Win the Talent War

Menon’s (2012) view of HR thinking of human capital requirements as a whole system is underpinned by Hohenstein et al. (2014) in that the POM function and subfunctions like supply chain
management, manufacturing, distribution, and logistics are all human-centric disciplines. Due to the human-centric nature of these functions, the need to recruit and retain the best talent becomes imperative. The seven research streams as articulated by Hohenstein et al. (2014) underline how HRM can impact POM and, subsequently, create sustained competitive advantage. Having established the criticality of the human being (employee) in the HRM–performance linkage (Bendoly et al. 2010), the employee typically goes through a four-stage employee life cycle (Smither 2003) (see Figure 21.1). Therefore, overlaying the subjects of the seven research streams (see Figure 21.2) of Hohenstein et al. (2014) on the employee life cycle reveals an interaction model (see Figure 21.3) between HRM and POM that delivers sustained competitive advantage (SCA). This interaction model places different responsibilities on HR as an INC and the manager as an IMC (Grima and Trepo 2011).

As Grima and Trepo (2011) stated, HR (INC) is low cost yet adds high value to IMCs and to the organization because INCs deliver a high level of commitment, diversity of thought, and contribution and are always willing to follow up due to a shared responsibility for results. Again, substantiating Schein (2010)’s view of the fourth role of the HR manager, where they are not only change agents but the organizational conscience and a powerful influence that brings knowledge, new attitudes, and new practices into the organization. From an industry standpoint, the manager has responsibility for the employee (Maheras 1966). With this interaction model, the IMC comes to the table with people; processes; the work environment; and organizational thoughts, issues, and plans, while HR as the internal consultant comes to the table with knowledge, skills, and best practices or best fit ideas applicable to improve performance. When coming to the table, HR is empowered with intelligence gotten from HR data analytics (Fink 2010) and is able to be innovative (Bendoly et al. 2012) in creating solutions, recommending practices, or partnering with managers to integrate OM and HR practices (de Menezes et al. 2010) that will deliver superior performance and continuous improvement.

Figure 21.1 Employee Life Cycle
As HR and manager work on best fit and best practice ideas especially for a global operation, the cultural context should not be overlooked, as Stavrou et al. (2010) indicated that HRM bundles of competitive advantage and performance are contingent on geographic context. Therefore, there is no universal set of best practices but a combination of best practice and best fit that depends on the geographic region and situation (Stavrou et al. 2010). Finally, organizational
learning is important, as this is the medium used for transferring knowledge and creating organizational capabilities that truly set the business on a path of sustained competitive advantage. Whether it is HR interacting with Operations or Finance interacting with technology, an organization has to develop a learning culture intertwined with behaviors that facilitate learning, sharing, application, and feedback. It is only then that higher performance can be achieved, when HRM practices are integrated with knowledge management, organizational learning culture, and the creation of organizational capabilities (Theriou and Chatzoglou 2014).

5 Implications for Managers

Managers need to understand that to consistently deliver superior performance, they need to have a well-articulated people strategy that impacts every stage of the employee life cycle. They need to develop this in partnership with their HR colleagues, defining all the issues and constraints as well as the desired outcomes. Managers need to understand that there is no universal set of best practices but that they constantly have to work towards a combination of best practices and best fits. They need to study every situation desiring of a solution and customize solutions or leverage existing solutions accordingly without sacrificing efficiency and effectiveness. This is particularly instructive as the shelf life of a value adding idea is unimaginably short, an indication of the constantly changing business dynamics and environment that thereby necessitates a proactive and responsive approach to managing people, process, environment, and the interaction of these three variables. However, as short as the shelf life of ideas may be, the need to have an engaged and productive workforce that generates creative solutions and ideas which delivers sustained superior performance to the organization is a fundamental that remains unchanged. This is especially true for the sustainability of the organization. In addition, managers need to evolve flexible practices like having flexible job descriptions, cross-functional or cross-team trainings, and flexible work arrangements, etc. to be able to keep employees engaged and committed to the organization. In partnership with HR, leverage intelligence derived from HR data analytics in making people and process related decisions and actions. Finally, it is important to embed a meritocratic culture in the organization. Compensation should be linked to performance and clearly differentiated (Menon 2012). Top performers in the organization should get the best of everything while low performers should be challenged to deliver improved work.

6 Recommendations for Future Research

The following ideas are suggested for future research. First, we suggest leveraging the seven HRM/SCM research streams and the employee life cycle, a study of the streams in each stage of the employee life cycle in order to determine its impact on performance. Next, researchers should look into how flexible job descriptions, teamwork training, and the use of performance metrics to determine rewards have truly helped to integrate supply chains and improve executives’ satisfaction of their organization’s supply chain performance. There should be a focus on a study to evaluate how much of HR and OD responsibilities have transitioned from HR and OD professionals to line managers. Recommended questions should elicit patterns, motivations, trends, current status, and future projections. We also recommend comparison between INCs and EXCs from IMCs perspective. As is an expanded study of the geographic contexts of the HR—performance linkage among a larger set of countries and continents, in order to explore in greater scale the “best fit, best practice or both” argument. Next, studies should center on the application of mixed methods research such as case studies in combination with quantitative methods in order to adequately explain supply chain phenomena from the seven streams. Lastly, we believe
that further study on both the role of global mindset in the success of SCM performance and the application of multi-method to social factor influence in team settings are necessary.

7 Conclusions

This study has explored several dimensions of the SHRM–POM–SCA framework through literature review and a survey. Findings and conclusions from both exercises reveal several things. First, the need for the connection point for SHRM and POM to be able to deliver SCA is in talent and the integrated organizational practices of HR and POM. Next, we discovered that the issues of talent availability and clarity around the linkage between HRM and performance are prevalent. From the survey results, it was evident that finding practical ways to deal with the evolving work population is an issue of grave concern to managers. Issues of work ethic and flexible work arrangements regularly come up when discussing this issue (Menon 2012). Following that, HR as an internal consultant facilitates the creation and use of practices that continue to deliver top talent to the business, through either external recruitment, internal mobility or training, and development. HR also facilitates integrative practices and ideas that help the business to create a work environment that people want to work in while also getting work done in a seamless and collaborative manner. The manager has full responsibility and accountability for the people and their welfare. And lastly, training, learning culture, knowledge management, intelligence, and partnership are themes that keep recurring in this study. This underscores the importance of constant development and organizational learning if the business wants to create a sustained competitive advantage.

References and Bibliography


