Strategic implementation and high performance work practices: A proposed model for public sector

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Abstract—In view of the dominance of research on high performance work practices and organizational performance literature in the private sector, this paper developed an integrated conceptual model connecting three theoretical propositions in the public sector. The integrated theories comprise the Resource based view perspective and social exchange theories considering the proposed moderating model of Resource management model as an extension of Resource based view perspective. Based on the theoretical propositions a model was developed and interrelationships among the theories were highlighted to guide future empirical investigation.

I. INTRODUCTION

Recently organizations has focused more on utilizing their internal resources in order to gain sustainable competitive advantage in the marketplace [43]. Fundamentally, the two main perspectives of utilizing internal resources to gain competitive advantage are the proper strategic positioning of resources and unique configuration of human resources. Specifically, the resource positioning mainly focus on unique delivery of organizations product or services [24]. On the other hand the human resource perspective mainly emphasize the unique configuration of human resources to develop a firm specific advantage which is difficult to duplicate [11]. Particularly, sustaining competitive advantage is increasingly becoming the central focus among business strategy and strategic human resource management scholars [28]. This leads to a situation where many studies reported divergent views on the means to gain sustainable competitive advantage for organizations. In addition, the need to utilize various theories to elaborate how organizations internal resources as well as its capabilities can be exploited to realize such aspiration is becoming more significant [37]. In essence, the most frequently utilized theories in this research area are the Resource Based View theory [9, 10] and Ability Motivation and Opportunity framework [3].

Particularly, the notion that each organization is endowed with some set of resources such as capital, labor, land and entrepreneurship has been prevalent in the academic literature [43]. Nevertheless, these predominant theories that are frequently utilized by scholars originate from different fields of enquiry such as strategic management, industrial psychology, social psychology, sociology and human resource management. Basically, most of these theories emphasized on organizations internal resources utilization. Precisely, such internal and external resources have been reported to be the tangible and intangible assets that are acquired and developed in the organization [16]. The internal resources are made up of essentially different resources, with some superior to others and contributing differently in terms of their efficiency levels. This leads to a situation where the superior among the resources make the greatest contribution in meeting stakeholder requirement especially in an economy where there is great deal of business activities [91].

However, public sector organizations have recently become performance oriented like never before. Specifically, public sector organizations are increasingly adopting a business oriented approach with greater emphasis on results. Basically, there are many improvements in the area of public service management that are aimed at improving the efficiency with which the sector deliver services while reducing its costs. Fundamentally, literature in strategic human resource management research makes insignificant contributions to the recent developments in the public sector research. However, as more organizations are focusing on strategic implementation of a superior set of practices that emphasize desirable attitude and behavior in employees. The
human resource has been reported as strategic element that help organizations accomplish organizational goals [15, 31, 17]. Hence little was done to link public sector organizations to this source of productivity.

Furthermore, in an attempt to fill the gap strategic human resource management research recently call on investigating high performance work practices in the public sector. But common feature among most of the current studies in the field of strategic human resource management and organizational performance is their central focus on Resource based view and AMO framework. Although the theories were used to test direct linkage between organizations human resources, its internal strategy and competitive advantage, they fail to explain the interrelationships among the internal organizations resources particularly human resources. This can be beneficial if properly configured, otherwise could adversely affect the desired outcome i.e. organizational performance. Besides, the focus of Social exchange theory [26], has been central to elaborating work interrelationship among organizations internal resources. Similarly, resource management process was recently developed to address the oversight of RBV by emphasizing on manager’s role in implementing strategy [39]. More specifically, focusing on Resource Based View (RBV) and Ability Motivation and Opportunity (AMO) theories to explain sources of competitive advantage for organizations may lead to a situation where the process of acquisition, utilization and the interrelationships among the internal resources to gain competitive advantage be largely overlooked

In essence, there is proliferation of research and general agreement among scholars about applicability of the individual RBV, AMO and SET theories in a typical organizational setting. But the purpose of this paper is to build on earlier studies and propose the holistic model integrating these theories. Specifically, the different theories may enhance wider strategy implementation across business organizations in general and public organizations in particular. This paper develop a new theoretical model which focuses on theoretical connectivity as recommended by Posthuma, Campion, Masimova and Campion, [38]. Therefore, this study will elaborate on developing a model integrating Resource Based View (RBV), Ability Opportunity and Motivation (AMO) framework, Social Exchange Theory (SET) and Resource Management Model and how such framework will advance public sector research in the realm of strategic human resource management.

II. LITERATURE REVIEW

A. Overview of the Proposed Framework and Competitive Advantage

Summarizing the theoretical proposition, this study review literature reflecting the theoretical links between RBV, SET, AMO and RMM theories to gain competitive advantage. To make this explicit RBV, suggests the heterogeneity of business organizations in terms of their internal capability and resources [9]. This is based on the premise that organizations configure their activities to be unique and superior to that generally obtained in the industry. This if properly employed can serve as a means to gain sustainable competitive advantage [42, 2]. Similarly, the three basic concepts of AMO framework (Ability Opportunity and Motivation) originate from industrial psychology with Ability being the essential skills and competences concerning accomplishment of a given work place activity. In this perspective performance results from effective training and selection [33]. Motivation has been as the stimulus towards performing a given behavior. Finally, opportunity in this perspective is seen as situational circumstantial as well as constraints in the context relevant to the executing the behavior. The theory postulates that behavior and motivation are directly correlated, where for instance if organization motivates its employees with requisite practices such as high performance work practices, they will directly motivated to release discretionary effort (Behavior), and it will eventually leads to organizational performance [29].

Furthermore, Social exchange theory [12, 41], was grounded on the premise of actions that are dependent on rewarding reaction from others [20]. This suggests that human resource interrelationship within the organization largely depends the expected return from such behavior. The exchange suggests a two way mutually benefitting exchange relationship between employees and organizations. It is an exchange based on creation of social structures to facilitate the exchange interrelationship and the method through which such structures may eventually constrain and or facilitate their routine exchanges [18]. More precisely, even as many theories converge on a view that internal resource utilization and unique configuration of resources is a step toward attaining and sustaining competitive advantage and optimum performance there is the need to integrate the theories in a holistic model. This is because most of the previous studies conducted could not integrate the important role of managers in strategic implementation and a very little limited focus on the interrelationships as well as their behavioral the effect of such social structure on the overall organizational outcome. Therefore
based on previously identified paucity this study will develop a model that will link these four relevant theories and propositions.

B. Strategic Human Resource Management Perspective

Human resource deployment to activities intended to enable firm achieve its goals remain the central goal of strategic human resource management [46]. Specifically, literature on strategic human resource management focus on human capital rather than the practices that influence the capital itself [36, 46]. Despite the fact that human provide competitive advantage for organizations most researchers ignored the process of acquiring and developing the resource. Hence, these creates a paucity in the understanding of how the resource lead to competitive advantage for organizations [23, 46]. In spite of this connection and increased call for investigating the mediating mechanisms, many organizations perceive human as adding less value to the organization in comparison with other essential and critical business interest, [1]. Particularly, extant literatures on this stream devote less attention on public sector. Hence this study proposes a model that can be tested in this regard.

C. High Performance Work Practices and Strategic Implementation

The extant literature demonstrates that organizations are inclined toward the strategic implementation of a distinctive set of human resource management practices that emphasize the human side of strategic management [15, 31]. This reportedly induce the desirable attitude and behavior in human resource in order to accomplish organizational goals [17]. Particularly, many studies have revealed that effective implementation of the human resource management system may be a key motivation for individual and organizational performance [13]. Although, strategic human resource management and organizational performance literature dwells on clarifying the relationship of how human resource management systems improve organizational performance [30, 49]. One critical proposed mechanism is that this effect runs by means of human capital [46]. Hence, since high performance work practices are believed to improve human resource motivation and performance, and, in turn, these better performing human resource will enhance firm performance [19].

Moreover, one of the methods by which organizations accomplish higher performance is by impacting human resource' attitudes to their job and to the organization through the design of practices that are supportive of inherent motivation [45]. Nevertheless, it is possible that numerous managers are implementing high performance human resource management frameworks that are not ideal in a given organization. Hence, organizations would have a competitive advantage if they adopt a more extensive set of high performance work practices to promote inherent work qualities and positive overall performance [44].

Moreover, Lepak and Snell [34] have proposed two separate systems of human resource management practices that organizations can embrace. These are the internal development framework and the acquisition framework. These systems and framework match with high involvement human resource practices and high performance work practices [6] or the dedication and control human resource frameworks [5]. The internal development framework concentrates on developing current human resource to meet the requirements of the organization. The acquisition framework concentrates on purchasing the required skills from the labor market, while internal development is connected with greater stability of an organization’s human resource and higher organizational responsibility. However, it was reported that, as an organization attempts to elicit discretionary efforts from human resource they are likely to give advantages in excess of the costs [30]. An acquisition framework has the benefit of lower expenses and more flexibility. The internal framework is in accordance with Resource based perspective where human resource would be exceptionally configured to make organization specific contribution in order to gain a sustainable competitive advantage. These also suggest the convergence of the models and thereby integrating the theories could be of great contribution to the field of strategic human resource management.

In addition, High performance work practices (HPWP) in this paper are not clearly specified because the practices are many in the literature. Specifically the selection of the appropriate practices to include in the proposed model depends on a given organizational context. This is because to date there is still lack of clear cut conceptualization of HPWP which limit research potentials in the field [38]. But its is recommended that studies refer to the taxonomy developed by Posthuma, et al., recently in the year 2013.

D. Public Sector Organizations

Public sector organizations are the organizations that are usually operated by government with the aim of providing social services to the people. These types of organizations are set up by the government mostly to provide essential services to the citizens irrespective of their purchasing power. For instance public organizations include public basic education schools for children, where in most cases the parent are not
required to pay fees for enrolling their wards. Although in rare cases public organizations charges fees for delivering their services. Such fees are so negligible compared to their private counterparts.

Furthermore, public sector organizations are not limited to schools, they include such organizations like hospitals and public transportation organizations. In many instances this type of organizations charge fees to their clients but such fees are usually meant for the maintenance and running of the used equipment. Organizations such as the police and fire services are all categorized under the public sector organizations. Even though, the public and private sector often work together in some cases, this usually occurs when a joint contract is awarded by the government. In most cases the public organization performs a supervisory role. Although public sector organizations are considered the major reason that drive the institutionalization of some organizations. Specifically, the private businesses and non for profit organizations, government agencies have occasionally been studied.

E. Resource Based View (RBV) Perspective

The resource based view perspective postulates that organizations contain exceptional bundle of resources such as the human resources. Hence, acquiring these resources complemented by the organizations capacity to make effective utilization of the resources provide an advantage over its competitors [9]. Hence, RBV perspective of the firm focuses on resources that are internal to the organization where the contribution and commitment of organizations human resource is to provide sustained competitive advantage. The main emphasis of RBV perspective is centered on the conduct of human resource as well as on the knowledge, abilities, competences, and skills with which individuals bring into the organization. This eventually promote advantage for corporate achievement [4, 25]. In essence, there is contention that such a way to treat strategy, places the role of managers strategic in identifying, acquiring, developing and renewing organizational resources to gain competitive advantage and overall performance.

In this vein, Wright and McMahan's [47], pointed to the significance of human resource in the formation of competitive advantage that is specific for a particular organization. The issue, then, is whether, or how can this source of profitability be adequately and properly utilized by the organization. Bailey, [7] opined that human resources are often not effectively utilized because in many cases they perform beneath their potential. The contention is that human resource provides returns in excess of any related expenses incurred in their development. Specifically, human resource practices can influence performance of an organization through their impact over their human resource and through organization structures that equip employee with the capacity to control how their tasks are performed [22]. The practices positively impact on competence of organizations human resources [14]. Specifically, the practices can be utilized by adopting recruitment methods that attract a vast pool of qualified candidates, matched with substantial selection. This will eventually have a considerable impact over the quality and abilities of human resources [36]. Furthermore, providing formal training and coaching encounters can further impact human resource improvement on task performance [35, 41]. The capabilities of most talented human resources will be restricted in the event that they are not encouraged to perform. Again, the role of human resource practices can influence employee creativity by persuading them to work both harder and more intelligently [32].

Moreover, [7] further added that commitment of even a talented and motivated human resource will be restricted if tasks are modified to the point that those who probably know their work better than any other person, may not have the chance to utilize their skills and capabilities. In addition, if they are allowed to utilize their skills to initiate new and better methods for performing their tasks their contribution to overall performance will improve. In this way, human resource practices can impact organizational system through stimulating support and encouraging people thereby influencing how their job roles are performed better. Accordingly, this proposes that the conduct of human resources in organization has critical effects for organizational performance, and that human resource management practices can affect human resources through their impact over employee abilities and skills and through organizational systems that enable them to enhance how their work roles are better performed [21].

Furthermore, the paper also builds on the assessment that employee skills, knowledge and abilities are the premise upon which competitive advantage for organizations is realized. Nevertheless, the advantage stem directly from the complementarity among the practices, attitudes and management. For instance scholars have differentiated between skills and behavior where they consider human contribution in terms of characteristics that comprise much different range of aspects that are regarded as behavior. Particularly, human resources transmit positive effect to their organization through certain factors such as commitment and other positive behaviors. This can either be good that is, positive source of strength to individuals and organization or bad which could be detrimental to smooth functioning of an organization. Thus, motivation and organizational
structure can serve as connecting instrument between human resource capabilities and competitive advantage by changing their behavior from non-productive to productive behavior [48]. Based on the above theoretical perspectives, the model below was developed for integrating RBV, SET and resource management model for testing the proposed model in the public sector.

III. INTEGRATIVE FRAMEWORK: THE RESEARCH MODEL

![Diagram]

*Fig. 1: The conceptual model linking resource based view theory, social exchange theory and resource management model for competitive advantage*

A. Organizational Commitment (Affective, Normative and Continuance)

Organizational commitment is seen as a reflection and a desire to see the organization succeed in its objectives and inclination of pride at being a part of the organization (Lapointe et al., 2013). Commitment has been shown to relate firmly and reliably to dimensions of performance, for example, low absenteeism and organizational citizenship behavior and it can play a role as key connecting instrument between high performance work practices and superior performance (Kehoe & Wright, 2013b).

Organizational commitment can be best described as the power that an individual possesses, which enable him to participate, identify with and full engagement with a particular organization. Organizational commitment is made up of three different components, namely; (1) Affective commitment: a strong belief in and the recognition of organizations aims and values which makes employee willingly perceive and internalize the values of his organization (2) Normative commitment: the zeal to release more efforts, ideas, and intellectual capability in contributing to the success of the organization due to moral obligation. (3) Continuance commitment: aspiration to remain as an employee of the organization for an unforeseeable future period due to the gain in doing so and or fear of possible losses (Mowday, Porter, and Steers 1982).

The proposed model in this study is based on the premise that committed employees are liable to release more effort to the organizational objectives. This will build up an affective bond between human resource and the organization (Cohen, 2003). Precisely, human resource who are managed by high performance work practices become committed to an organization and are likely going to commonly behave in ways that reflect the affective bond (Takeuchi & Takeuchi, 2013). Moreover, one of the ways through which organizations accomplish higher performance is by investing in certain forms of human resource practices that impact on work values, which ultimately impact on employees attitude to their job as well as organizational outcome in a positive manner (White & Bryson, 2013).

Nevertheless, the model presented above depicts the proposed interrelationships among RBV, SET and resource management model RMM. Based on the above model we argue in line with resource based view perspective that, organizations that lay more emphasis on the utilization of their internal organizations resources. This can be achieved through recognizing the crucial role of managers in implementation of the organizational strategy. Specifically, strategic implementation complemented by utilizing high performance work practices will
guaranty sustainable competitive advantage in the marketplace. Furthermore, focusing on internal resource utilization will help organizations maximize the returns generated from the costly to copy organizational assets. Strategic implementation and high performance work practices are capable of making the best contribution to the organization if managers applying their exceptional techniques and skills in the implementation process. This suggests that, skills knowledge and ability of human resource is an important consideration in strategic human resource management realm.

Furthermore, we cannot rule out the fact that organizations internal resources does not work in isolation; their work is largely dependent on the context and as well as their interrelationships with one another. Basically, in a typical organizational setting employees come into the organizations with predetermined state of mind. In particular, human resources expect certain benefits in exchange for their contribution to the organizations strategic goal. Precisely, the relationship between organizational structure, social context and management should be reciprocal. If such reciprocal exchange is favorable to the parties in exchange (organization and human resources) then new rounds of favorable exchange will begin. Hence, these will influence the level of human resources capability and enhance positive organizational commitment to the organization.

III. Discussions

The conceptual model stresses the importance of motivation and opportunity given to managers to implement the organizational strategy. In essence, based on the above model the motivation for human resource commitment stem from the favorable social exchange, while opportunity given to managers for strategy implementation strengthen the effect of commitment. This process produces favorable results thereby strengthening the gap between commitment and organizational performance in the public sector. By implication, integrating RBV, SET and resource management model will ensure organization have the best skilled human resources that are capable of performing a challenging task. These can only be effective with adequate motivation and opportunity from the top management to the middle level management. Precisely, the model presented in this study suggests that for effective utilization of organizations internal resources to gain sustainable competitive advantage, there is need to empirically test the proposed model. While testing the model scholars need to ensure RBV, SET and RMM are integrated as a necessary and sufficient condition to the process of gaining a sustainable competitive advantage for public organizations. Based on the integrated model we suggest that utilization of high performance work practices bundle to be based on industry specifics and requirements in order to ensure sustainable competitive advantage. Moreover, we recommend research attention to focus on testing the integrated model empirically using a data from public sector organization.

IV. Summary and conclusion

The paper builds on the assessment that managers role in strategy implementation through their skills, knowledge and abilities can serve as the premise upon which organizations gain competitive advantage. However, the advantage does not stem directly from utilization of high performance work practices but from other interrelated elements based on theoretical integration. Specifically, organizational commitment is proposed as a consequence of social exchange relationship. The manager’s ability to perform the required task through motivation and opportunity provided to him by the organization. We argue that sustaining this advantage requires the selecting acquiring and continuous development of right talent as proposed by RBV theory. Fundamentally, most of the studies in strategic human resource management rarely integrate these theories in a single model. Therefore we developed an integrated model and suggest that future studies test the integrated effect in an empirical procedure. Particularly, the proposed a model can be tested in a typical public sector organization due to the current dominance of research in private sector.
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