

The Role of Strategic Human Resource Management in Creation of Competitive Advantages (Case Study: A Commercial Organization in Malaysia)

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Abstract

This research is conducted to present ideal HR strategies for a commercial organization in Malaysia. The recommended strategies were designed to emphasis competitive advantages. Research data were collected by distributing questionnaires, interviewing with managers and assessment of available reports. To develop the most suitable HR strategies, SWOT and PEST analytical methods were used. The research findings demonstrated that the organization possess an appropriate condition in the input process of human resources both internally and externally. The organization's external factors in output and maintenance process of the human resources indicated a poor condition. Hence, aggressive strategies wererecommended to be applied in the input process, while defensive strategies were suggested to serve better in the maintenance and out process. It is concluded that the successful accomplishment of recommended strategies would guarantee the synergy, coherence and convergence in the general HR practices, policies and strategies. Thus, certain HR strategies were approved to have a key role in creating competitive advantages.

Keywords: Strategic Human Resource Management; Competitive Advantages; SWOT Analysis; PEST Analysis

Introduction

The human resource management system in any organization, given the constantly changing and dynamic environment, cannot be a static and fixed phenomenon. Strategic human resource management could serve the organizations in acquiring the competitive advantages. Under the strategic human resource framework, organizations are able to optimize their utilization of opportunities. Strategic management of the human resources brings the necessary coordination between various activities of an organization; moreover, it helps in creating appropriate opportunities and preventing the potential threats. Strategic integration is an inevitable necessity in creating consistency between human resource strategy and organizational strategy. Therefore, the ultimate purpose of developing the strategic integration is to generate a harmonic relationship between the goals ofHRM and the organizational objectives (Aarabi and Izadi, 1381). Today, firms believe that the system of internally coherent HR practices associated with organizational strategies, rather than separate HR plans being practiced in isolation, may boost organizational performance and productivity (Lepak, Liao, Chung, & Harden, 2006).

The present research consists of the detailed study of the input, maintenance and output processes of the human resources. This research have employed the Delphi method, SWOT and PEST analysis in order to identify the organization's internal factors (strength and weakness), external factors (opportunities and threats) and to determine the optimal human resource strategies. Thereafter, based on the concentration of the average points, standard deviation of internal and external (IE) factors matrix and the outcomes from the meetings with the management and experts of the organization, optimal strategies of human resources are selected, prioritized and proposed to the organization from the available developed strategies.

Literature Review

In recent decades, theories and literature regarding the strategic human resource management (SHRM) have been given a due importance by the researchers (Delery, 1998; Snell, Youndt & Wright, 1996; Ulrich, 1997a). Strong and comprehensive theoretical frameworks help in concentration and consolidation of the research efforts thus facilitates the HRM practices to convert into real strategic standards (Ulrich, 1997b).

SHRM is based on two principles. First is the belief regarding the vital strategic importance of the organization's human resources. This explains the idea that every employee's personal traits, talent, behavior and interaction possess an inner potential in formulating basic strategies and more importantly, putting strategies into practice. Second is the thought that in order to bring up strategic strength in the organization, the HRM practices are certainly utilizable (Colbert, 2004).

Appropriate methods of HRM can have an important role in the strategic success of organizations. Wright and McMahan (1992) defined strategic human resource management (SHRM) as 'the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals' (p. 298). In 1980, a strategic approach to human resources was emphasized by many scholars. Changes in thinking and practice caused an increase in specialization and thus it led to less use of the term "personnel management" in Human Resource Management (Miller, 2006). In the 1980s and 1990s, changes in the operational environment of HRM, drew the attention to the strategic management of the human resources.

According to studies done by many researchers, for instance, Hendry and Pttigrew (1990) and Mabey et al. (1998), one of the most important issues in the 1980s which developed the SHRM, was the industrial crisis in the United States of America. This led to major changes in personnel management and the attention to the strategic management of human resources was increased (Millmore et al., 2007).

In recent years, SHRM has been very useful in developed countries. According to the researches, more than half of organizations in these countries by using the results of the predefined HR strategies could achieve new capabilities in their strategic HRM. Fambrun and his colleagues believed that the human resource systems and organizational structures must be managed in such a way that they are consistent and compatible with the organizational strategies. Miller argues that HR strategies should be integrated with corporate strategies. For this integration, the management measures in the field of human resources should be coordinated and synchronized with other areas of the organization's activities (Armstrong and Baron, 2005).

A number of researchers studying the interaction of organization's systems and human resource management have found that SHRM by creating harmony between organizational strategies and HR policies bring synergy to the activities of an organization (Chadwick, 2005). Many HR researchers believe that, the HR department should have a greater role in strategy formulation and organization of forces. HR systems should strive to be harmonious with the overall strategies of the organization (Tyson, 1987).

In developing countries, applying the models of HR strategy is not given a due consideration. Few studies have focused and examined the importance of the strategic HRM and its impact on the overall organizational success in Malaysia. The main reasons are the newly emerged SHRM relevant knowledge, lack of maturation of strategic dialogue in this area, lack of resources and references in native languages, lack of attention to the localization of successful and innovative international models.

The matrix of SWOT analysis is an important tool through which managers can compare the information and provide four types of strategies. Comparison of the internal and external key elements of this matrix is the most important part, as it requires a precise judgment.

Table 1: SWOT Matrix

Internal Factors External Factors	Strengths	Weaknesses
Opportunities	SO Strategies	WO Strategies
Threats	ST Strategies	WT Strategies

- SO Strategies: It is determined by using the internal strengths and external opportunities.
- WO Strategies: By using external opportunities, internal weaknesses can be reduced or eliminated.
- ST Strategies: By using the internal strength, external threats can be reduced or eliminated.
- WT Strategies: Internal weaknesses are reduced and external threats can be avoided.

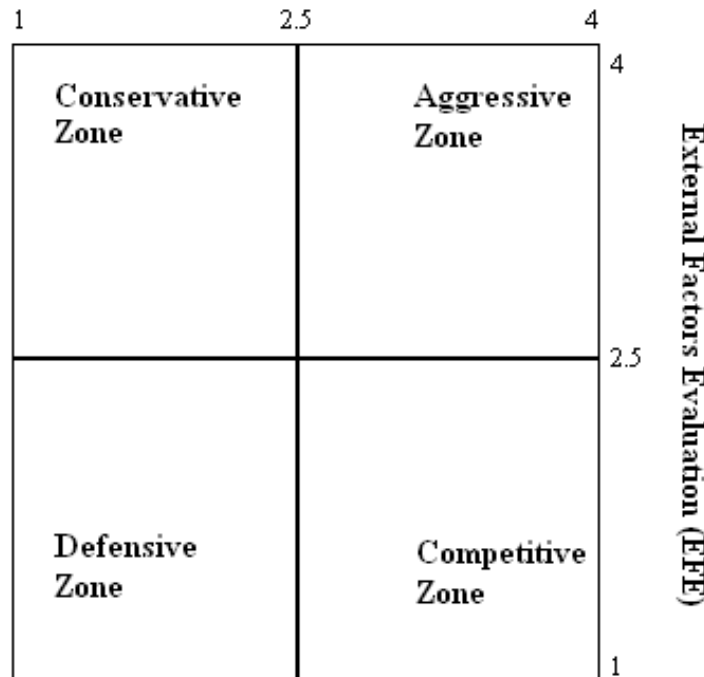
In order to design a SWOT Matrix, the following eight steps are to be completed:

- 1) Prepare a list of major opportunities of the organization's external environment.
- 2) Prepare a list of major threats of the organization's external environment.
- 3) Prepare a list of major strength of the organization's internal environment.
- 4) Prepare a list of major weaknesses of the organization's internal environment.
- 5) Compare internal strengths with external opportunities and enter the result under the SO strategies.
- 6) Compare internal weaknesses with external opportunities and enter the results under the WO strategies.
- 7) Compare the internal strength with external threats and enter the results under ST strategies.
- 8) Reducing internal weaknesses and avoiding external threats

The purpose of the PEST analysis is to study the environmental factors including political, economic, social and technological. This evaluation helps in identifying the factors of SWOT analysis, thus it leads to a transparent understanding of the environmental condition of the organization (Manktelow, 2005).

Internal and external (IE) matrix is used in order to determine the optimal strategies. In this matrix, the Internal Factors Evaluation (IFE) is displayed on the horizontal axis and External Factors Evaluation (EFE) is on vertical axis. If the total final score of external factors (EFE) is between 1 to 2.5, it represents the external threat and if it's between 2.5 to 4, it indicates the opportunity. Furthermore, if the total final score of internal factors (IFE) is between 1 to 2.5, it shows the internal weakness and if it is between 2.5 to 4, it suggests the internal strength.

**Figure 1: Internal & External Factors (IE)
Internal Factors Evaluation (IFE)**



The position of the organization in every zone of the IE matrix displayed in the above figure, has its own specific strategic concept. Any organization in zone 1 is situated in an excellent position and it should rather consider the aggressive strategies. Any organization situated in zone 2, possess a perfect external environment, however its internal environment is not a good condition. Therefore, the choice of conservative strategy is more appropriate for this organization. Presence of an organization in zone 3 indicates the great condition of internal environment whereas the external environment is in a poor situation. Thus, the competitive strategy is proposed for this type of organization. An organization that placed in the zone 4 is in a poor condition both in internal and external environment; i.e. it has weakness in the internal environment and is also threatened from the external environment. That being the case, such organizations are advised to resort to the defensive strategies. After reviewing the studies and researches, a ten-step process for strategy formulation was proposed to the organization.

First step: Evaluation and prospect identification.

Second step: Review and recognition of the organization’s vision and mission.

Third step: Review and identification of the existing conditions and HRM orientation

Fourth step: Evaluation and preparing a list of internal factors (weakness and strength) and external factors (opportunities and threats) in the field of human resources management by using Delphi method and presence of managers and selected experts.

Fifth step: Preparation and arrangement of questionnaires related to internal and external factors of the human resources.

Sixth step: Examining the questionnaires according to the selected experts and senior manager’s viewpoint.

Seventh step: Questionnaires distribution, data collection and analysis.

Eighth step: Defining the strategies regarding input, maintenance and output process of the human resources

Ninth step: Receiving opinions from the organization’s managers and experts and applying the necessary adjustments.

Tenth step: Formulating, resolving and dictating the final human resource strategies.

Research Methodology

This study is an applied research, with descriptive and analytical nature which can be considered as a field research.

By making use of the SWOT and PEST analysis besides Delphi method, based on the ten-step research process, internal and external factors were identified and listed.

Then the matrix of internal and external factors i.e. EFE and IFE were arranged. Thereafter by using and adjusting the internal and external (IE) matrix the strategies for input, maintenance and output of the human resources are selected and proposed.

Research data are compiled using questionnaires, interviews, meetings with managers and experts as well as analytical review of the existing reports of the organization. The collected data are analyzed and examined using SPSS software together with mean statistical methods and standard deviation.

Validity and reliability of questionnaire

The main data collection method used in this research is questionnaire. Internal and external factors of human resources are identified with the help of managers and experts of the organization using Delphi method. Afterwards, the initial questionnaires were designed and prepared. Credibility and validity of the questionnaires is approved by the academic professionals and executives. In order to assess the reliability of the questionnaire, the Cronbach's alpha coefficient is used. The calculated coefficient is 0.83, which indicates the reliability of the measurement tool.

Sample size and sampling method

The research population includes 910 managers and full-time experts in which a systematic and random stratified sampling method is applied to obtain proper samples. By using the statistical software PASS 2004 with 95% confidence, 137 individuals are selected as sample among the managers and experts of the organization.

Research Findings

A) Strategies of the human resource input process

After conducting numerous meetings with managers and expert using Delphi method, the questionnaire was developed to analyze the internal and external factors. Then, as the data obtained from the questionnaires, the matrix of internal and external factors (SWOT) was designed and the strategies concerning with the input process of the human resources were developed. Finally, using the matrix of internal and external factors (IE), the optimal strategies among the proposed strategies are chosen and presented.

If the total final score of external factors is between 1 to 2.5, it is an indication of threat. However, if the score is between 2.5 to 4, it hints the existence of opportunity. Therefore, the score of 2.80 in table (2) suggests the existence of relative opportunity in input process of the organization's human resource management.

Table 2: The External Factors of the Human Resource Input Process

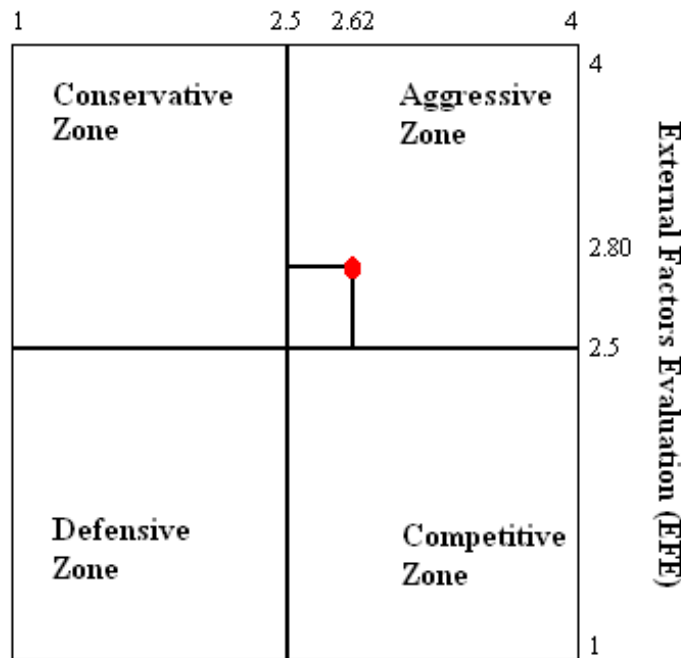
	Title	Significance Coefficient	Rank	Final Score
O1	Increasing demands for voluntary activities in the organization	0.066	3.761	0.249
O2	High inclination among people for being employed in the organization	0.057	3.588	0.205
O3	A positive perspective of the society toward employment in the organization	0.057	3.353	0.192
O4	National 20-year Development Plan	0.049	3.317	0.162
O5	Existence of tendency towards morality in the society	0.051	3.294	0.168
O6	The availability of fresh graduates in the labor market and opportunity to recruit them in the organization	0.053	3.231	0.172
O7	Positive perspective towards economic capacity and competency of the organization	0.053	3.176	0.167
O8	The existence of proper electronic communications to introduce the organization in the labor market	0.048	3.180	0.152
O9	The conformation of the country's youth population	0.048	3.056	0.148
O10	The chance of recruiting proficient and expert managers who are interested to work for the organization	0.053	2.936	0.155
O11	The high rate of unemployment in society and the desire to be employed by the organization	0.046	2.709	0.124
T1	The unbalanced academic qualifications of graduates and its effects on recruiting work forces	0.040	2.130	0.085
T2	The lack of sufficient experience in university graduates	0.048	1.877	0.089
T3	Traditional managers confrontation with utilizing modern technologies and solutions	0.048	1.770	0.086
T4	The lack of HR planning and internal regulations	0.051	1.706	0.088
T5	The systematic organization of salary and wages of government employees	0.052	2.525	0.131
T6	The existence of rules and regulations in government recruitment system	0.042	2.470	0.104
T7	Tendency of HR specialist to work in industrial and academic sections	0.045	2.353	0.105
T8	Influence of political adhesion in promotion and incentive	0.048	2.298	0.111
T9	Existence of various political tendencies and desirability of conforming workforces with similar political opinions	0.047	2.245	0.105
		Σ=1		2.80

Table 3: The Internal Factors of the Human Resource Input Process

	Title	Significance Coefficient	Rank	Final Score
S1	Reputation, credibility and seniority of the organization	0.066	3.704	0.244
S2	The adequate capacity for employing human resource	0.061	3.646	0.222
S3	The existence of responsible and committed manpower in organization	0.059	3.468	0.203
S4	The feasibility of recruiting HR for professional occupations	0.055	3.296	0.181
S5	The chance of recruiting graduates from various specialties	0.048	3.119	0.150
S6	Availability of applied and training courses during the employment	0.056	3.058	0.171
S7	The establishment of appropriate system for utilizing the workforce	0.055	3.003	0.167
S8	The effectiveness of organization in the national economy	0.051	3.001	0.154
S9	Recruitment of expert administrators from outside of the organization	0.056	2.762	0.155
S10	The possibility of hiring based on individual's performance and insider's recommendation	0.050	2.687	0.134
S11	Implementing research for developing HR hiring process	0.051	2.650	0.135
W1	The lack of expert, efficient and eligible human resource	0.044	1.939	0.085
W2	Long recruitment process compared to other organizations	0.044	1.881	0.082
W3	Inadequate specialized training in staff induction process	0.044	1.766	0.078
W4	Disregarding the improvement of educational & training activities	0.057	1.760	0.100
W5	The lack of substitutional managers in operational groups	0.053	1.706	0.091
W6	Refusing to utilize modern and scientific tools in HR input process	0.058	1.693	0.099
W7	The lack of appropriate mechanisms for employing qualified workforce	0.054	1.674	0.090
W8	Implication of unnecessary changes due to the lack of appropriate planning	0.047	1.647	0.077
		Σ=1		2.62

If the total final score of internal factors is between 1 to 2.5, it points out the weakness; whereas any score between 2.5 to 4 signifies the strength. Thus, the score of 2.62 in table (3) is a sign of relative strength in input process of the organization's human resource management.

Figure 2: IE Factors for the Input Process of the Human Resource Internal Factors Evaluation (IFE)



As it is illustrated in figure 2, the average points and the standard deviation of the internal and external factors are mostly concentrated in zone one; and their dispersion could be found in zone 2 and 3. Therefore, among the designed strategies, all the aggressive strategies along with some conservative and competitive strategies are selected as the optimal and most appropriate strategies for the input process of the human resources. Table (4) presents the suggested strategies in order of priority.

Table 4: Suggested Strategies for the Input Process of the Human Resource

	SO Strategies	Opportunities	Strengths
SO1	The use of organization's reputation and HR system to attract & hire volunteers	O1,2,3,5	S1,4,3,2,7
SO2	Increasing the capacity and recruitment opportunities for professional & expertise positions	O2,3,6,7	S2,4,5,7
SO3	Optimum utilization of facilities to hire the educated and selective candidates	O2,3,7,6	S4,5,7
SO4	Establishment of an appropriate information and communication platform, in order to introduce the organization & to attract the qualified manpower.	O6,3,7,8	S1,4,8
SO5	Introducing professional and expert positions to candidates	O2,6,7,9	S2,5,4,7
SO6	Designing a consistency between training during induction process and job's missions and responsibilities	O4,9	S6,8
SO7	Preparing organization for implying substantial training procedures during the staff induction process	O4,7	S6,7,8
SO8	Utilizing facilities especially HR tools to imply appropriate system of recruitment process	O6,7,8	S1,4,7
SO9	Employing internal workforces to find qualified and eligible new employees	O2,3,6,11	S3,10,11
SO10	Highlighting the organization's role in the national economy in order to attract more experienced and professional managers	O2,3,7,10	S1,8,9
SO11	Exerting fundamental, scientific and modern methods in recruitment process	O6,11	S7,11
	WO Strategies	Opportunities	Weaknesses
WO1	Creation of a mechanisms for implying more effective induction programs	O6,7,8	W4,3
WO2	Formulation and establishment of specific policies to prevent unnecessary rotations in tasks	O10	W6,8
	ST Strategies	Threats	Strengths
ST1	Using necessary professional training to revise negative perceptions among traditional managers	T1,3	S4,5,6
ST2	Restituting the negative effects of government restrictions on wages and salaries	T5,6	S4,7
ST3	Provide an opportunity to make modern technologies known to traditional managers	T4,3	S6,9

The results derived from tables (2), (3) and figure (2) proves that the organization in its human resource input process, from the internal and external aspect, is in a favorable condition and above the average; because the total final score of external factors is 2.80 and that of internal factors is 2.62 which are both greater than 2.5.

B) Strategies of the human resource maintenance process

After conducting several meetings with the managers and experts in the organization using Delphi method, and preparing a questionnaire regarding the opportunities, threats, strengths and weaknesses of the organization, the assessment matrix of internal and external factors is developed. Next, the strategies of the human resource maintenance process are designed by using the SWOT analysis matrix. Finally, by utilizing the IE matrix, the most appropriate strategies are selected from the offered strategies.

Table 5: The External Factors of the Human Resource Maintaining Process

	Title	Significance Coefficient	Rank	Final Score
O1	The positive effects of organizational ethics and culture on employee’s behavior	0.062	3.293	0.203
O2	The existence of HR training and development centers, including higher education institutions	0.056	3.234	0.180
O3	The country’s 20-year general outlook	0.056	3.174	0.177
O4	Considering the use of modern technologies by the organization to boost productivity	0.052	3.177	0.166
O5	Country development programs	0.046	3.060	0.142
O6	Possible utilization of external financial resources to provide skillful manpower	0.045	2.999	0.134
O7	Government’s positive perspective towards human resource development programs	0.048	2.290	0.110
O8	Considering a system based on meritocracy	0.044	2.766	0.122
O9	Efficient reaction of the organization to the housing crisis	0.042	2.529	0.107
O10	Lower job security in private sector of the economy	0.056	2.292	0.129
T1	A lower range of wages for professional jobs in the organization	0.055	2.118	0.116
T2	Inappropriate advertising by the media about organization’s activities	0.051	2.002	0.101
T3	Inconsistency between employee’s salaries & incentives and their relative activities	0.055	1.878	0.102
T4	Shortage in the organization’s facilities and its day-to-day needs	0.044	1.710	0.076
T5	The absence of meritocracy	0.052	1.704	0.089
T6	The lack of rules and regulations for paying incentives related to productivity of employees	0.051	1.705	0.088
T7	The fluctuating trends in national economy	0.040	1.649	0.066
T8	Instability in rules, regulations and instructions	0.049	1.648	0.080
T9	Continuous reduction of employee’s purchasing power	0.048	1.530	0.073
T10	Persistent changes of the HR rules and regulations by the government	0.049	2.233	0.110
		Σ=1		2.37

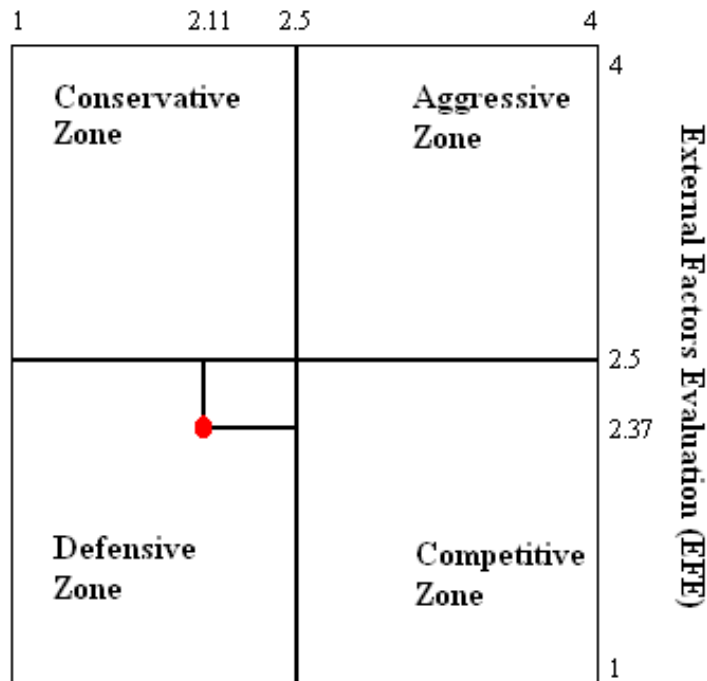
The total final score of external factors between 1 to 2.5 indicates threat and any score between 2.5 to 4 shows opportunity. Therefore, the score of 2.40 in table (5) suggests the presence of threat in the maintenance process of human resources in the organization.

If the total final score of internal factors is between 1 to 2.5, it shows the weakness and if the score is between 2.5 to 4, it signifies the strength. Thus, the score of 2.12 in table (6) demonstrate a relative weakness in the maintenance process of human resources in the organization.

Table 6: The Internal Factors of the Human Resource Maintaining Process

	Title	Significance Coefficient	Rank	Final Score
S1	Establishment of in-service training centers	0.039	3.292	0.128
S2	Engaging professional instructors to train personnel	0.039	3.114	0.121
S3	Background, volume and variety of training programs in the organization	0.035	2.997	0.104
S4	Striving to use modern educational & training technologies	0.031	2.943	0.092
S5	Management's positive perspective toward staffs training	0.028	2.886	0.081
S6	Existence of job security for permanent employees	0.041	2.819	0.115
S7	Team working spirit among the personnel	0.026	2.709	0.072
S8	Providing social & welfare services to personnel	0.028	2.652	0.075
S9	Existence of formal and/or friendly relationship among employees and managers	0.033	2.645	0.087
S10	Variation in the compensation mechanism	0.033	2.561	0.086
S11	Conducting a system to consider employee's complaints	0.026	2.355	0.062
W1	Exempting certain rules and regulations in allocating amenities	0.028	2.061	0.057
W2	Incompatibility between age, position and seniority	0.038	1.936	0.073
W3	The lack of promotional system based on productivity	0.027	1.887	0.052
W4	Disregarding necessities in exerting training programs	0.031	1.880	0.059
W5	Incompatibility between positions and their holders	0.035	1.880	0.065
W6	The lack of a comprehensive HR evaluation system	0.032	1.879	0.060
W7	Insufficient number of professional advisors in personnel management	0.025	1.884	0.047
W8	Implying unnecessary changes due to the lack of appropriate planning	0.029	1.826	0.053
W9	The lack of fair and reasonable paying system consistent with personnel expertise	0.028	1.827	0.051
W10	The lack of working experience or academic background	0.041	1.760	0.072
W11	The shortage of professionals in analyzing job & vacancies	0.039	1.701	0.066
W12	Ambiguity in the structures of organizational culture	0.038	1.703	0.064
W13	Inadequate faith and belief about organizational changes among the middle and basic managers	0.025	1.652	0.041
W14	Lower wages and salaries compared to other organizations	0.029	1.652	0.048
W15	Considerable distance between top, middle, operational managers and employees	0.042	1.583	0.066
W16	Appointing staffs without having relative necessary applied education	0.028	1.591	0.045
W17	Lack of education and training of managers and employees	0.026	1.534	0.040
W18	Lack of systematic performance-based reward system	0.031	1.470	0.045
W19	Lack of manpower planning systems such as career planning and succession.	0.033	1.472	0.049
W20	The lack of criteria for relocating executives & managers	0.029	1.353	0.039
		$\Sigma=1$		2.11

Figure 3: IE Factors for the Human Resource Maintaining Process
Internal Factors Evaluation (IFE)



As illustrated in figure (3), the focus of the average points and standard deviations of the internal and external factors are in zone 4 and their dispersion is felt in zone 2 and 3. Therefore, from the available strategies, all the defensive together with some conservative and competitive strategies are picked out as the optimal strategies in maintaining the human resources. Prioritized lists of these strategies are suggested in table (7).

The outcome from table (5), (6) and figure (3) reveals that the human resource maintenance process of the organization, considering its internal and external factors, is in an unfavorable condition since it is below the average. This is because, the total final score of external factors is 2.37 and that of internal factors is 2.11, which are both smaller than 2.5.

Table 7: Suggested Strategies for the Human Resource Maintaining Process.

ST Strategies		Threats	Strengths
ST1	Designing and exerting fully circumstantial plans for job analyses, benefiting from the experienced lecturers	T1,4,5,10	S2
ST2	Systematization of payment process with respect to employees productivity	T1,3,6,9	S10
ST3	Developing training programs for employees consistent with needs and unforeseen changes	T4,7	S1,2,3
ST4	Regularization and reformulation of the changing of rules, circulars and instructions with the help of academic experts	T8,10	S2
ST5	Designing and exerting necessary rules to enhance payments in professional jobs	T1	S10
WO Strategies		Opportunities	Weaknesses
WO1	Design and reform of educational needs assessment system utilizing modern technology	O2,4	W4,9,10,16,17
WO2	Establishment of meritocratic procedures in different management levels	O4,8	W1,3,15,18
WO3	Arranging the system of reward payments based on performance and productivity	O3,4,5	W8,18
WO4	Establishment of a comprehensive HR planning system	O8,10	W2,3,19,20
WO5	Introduction of the personnel consultation system by using the academic experts	O2	W11,7
WO6	Employing experts to analyze job procedures to perform business analysis	O8	W11
WO7	Design and development of administrative reform mechanisms, including education and training.	O2,4	W13
WT Strategies		Threats	Weaknesses
WT1	Development and implementation of specific criteria for equitable distribution of facilities & amenities	T1,3,6,9	W1,8
WT2	Timely information & advertisement about organization & its activities in order to increase employee motivation	T2	W7,10,17
WT3	Reinforcement of the organizational culture to increase involvement and innovation among managers and staff	T4,7,8,10	W12,13
WT4	Design and implementation of a comprehensive system of evaluation and promotion based on merit and performance	T5	W2,3,6,8
WT5	Systematic arrangement of appointing jobs to employees based on their capabilities and competencies	T4,5	W2,6,10,16,20
WT6	Systematic process of the HR transmission and movement	T8,10	W20

C) Strategies of the human resource output process

Based on numerous meetings with the managers and experts of the organization under the Delphi method consideration, and arranging questionnaire concerning the opportunities, threats, strengths and weaknesses of the organization, the assessment matrix of internal and external factors is developed. Then, strategies of the HR output process are designed by using the SWOT analysis matrix. Eventually, by taking the IE matrix into service, the most suitable strategies are selected from the existing strategies.

Table 8: The External Factors of the Human Resource Output Process

	Title	Significance Coefficient	Rank	Final Score
O1	The availability of HR rules for disablement, retirement, resignation, displacement, pension, redemption, etc.	0.272	3.005	0.816
O2	The opportunity for employees to sign up for jobs outside the organization	0.254	2.237	0.568
T1	Lack of uniform enforcement of laws in discharging or balancing the workforce	0.231	2.190	0.505
T2	The drawbacks of outsourcing and privatization laws and policies	0.253	1.885	0.476
		$\Sigma=1$		2.37

Where the total final score of external factors is between 1 to 2.5, it is an indication of a threat; however, the score between 2.5 to 4 shows opportunity. Therefore, the score of 2.37 in table (8) implies the existence of threat in the output process of human resources in the organization.

Table 9: The Internal Factors of the Human Resource Output Process

	Title	Significance Coefficient	Rank	Final Score
S1	The existence of a reward mechanism for retirement and end of service bonus	0.136	3.062	0.417
S2	Reduced demands for intention to leave the job & organization such as resignation, transfer, early retirement or redemption.	0.136	2.769	0.376
S3	The systematic process of dismissing employees	0.122	2.503	0.304
W1	Lack of attention to job difficulties due to disability	0.111	2.062	0.229
W2	Difficulties in keeping connection with retirees	0.098	1.883	0.184
W3	The lack of appropriate plans for retirees	0.102	1.886	0.192
W4	Insufficiency in the pensioners protective systems	0.119	1.710	0.204
W5	The lack of a supportive mechanisms for families of those who passed away during the service	0.107	1.688	0.181
W6	Failure to implement the exit interviews	0.096	0.438	0.042
		$\Sigma=1$		2.13

Since the score of 2.13 in table (9) is smaller than 2.5, thus, it signifies the relative weakness in the output process of the organization’s human resources. According to the figure (4), the major concentration of the average points and standard deviations of the internal and external factors are in zone 4 and their dispersion could be observed in zone 2 and 3. Hence, the entire defensive strategies besides some conservative and competitive strategies are chosen as the ideal strategies in the output process of human resources. Ordered list of these strategies are displayed in table (10).

From tables (8),(9) and figure (4) it is understood that the HRoutput process of the organization, in view of its internal and external factors, is in an unfavorable circumstances as it is below the mean level. What proves this fact is that, the total final score of external factors is 2.37 and that of internal factors is 2.13, which are both smaller than 2.5.

Figure 4: IE Factors for the Human Resource Output Process
Internal Factors Evaluation (IFE)

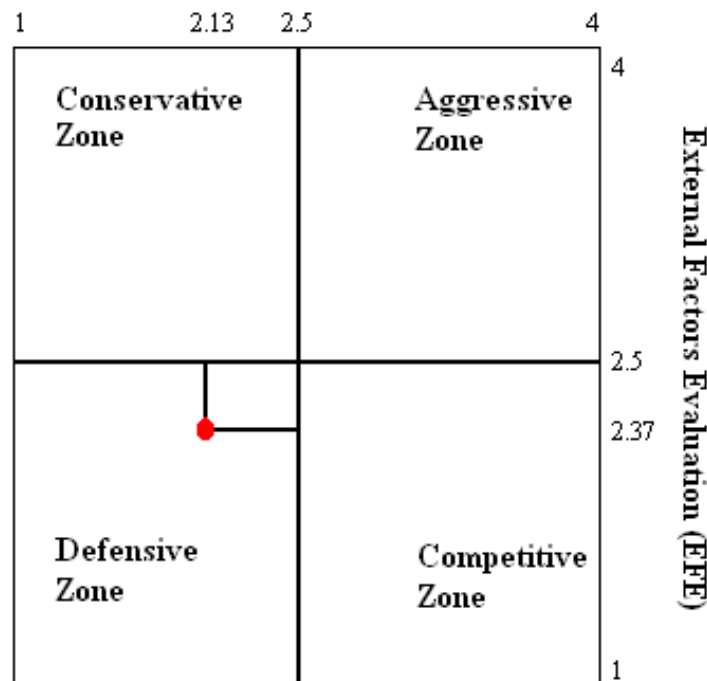


Table 10: Suggested Strategies for the Human Resource Output Process.

	WT Strategies	Threats	Weaknesses
WT1	Counseling to direct unemployed workers and retirees into other job opportunities	T1	W2,3,4,6
WT2	Designing and exerting frameworks to protect families of disables and those who passed away during their term of employment	T1	W1,4,5
	WO Strategies	Opportunities	Weaknesses
WO1	Adjusting rules and regulations about retirement	O1	W1,4
WO2	Hiring expert retirees as half-time consultants	O1	W2,3
WO3	Implementing output interviews to modify the demands for leaving office	O1	W6
WO4	Counseling and preparing old-timers to begin their retirement	O1	W3
	ST Strategies	Threats	Strengths
ST1	Improving and adjusting rules and regulations on discharging staffs due to protect those who have proper performance	T1	S3

Discussion and Conclusion

As stated earlier, organizations have realized the pivotal position of the human resources in recent years. Hence, the HR has taken into account as a strategic factor in any organization. HRM system in an organization must be able to match itself with the ongoing environmental changes. Strategic HRM by creating harmony between the organization's general strategies and HR policies and practices, could help the organization to optimize the utilization of opportunities, prevent the potential threats and bridge towards providing competitive advantages in the organization.

The results derived from this research clearly states that, the organization under this study possess an acceptable condition in the input process of human resources. It scores above the average, since the total final score of the external and internal factors are 2.80 and 2.62 respectively; which are both greater than 2.5.

Nevertheless, the organization has an unfavorable condition in the application and maintenance process of the human resources. It recorded the point below the average, since the total final score of the external and internal factors are 2.37 and 2.11 respectively; which are smaller than 2.5. In the output process of the human resources, also the organization does not have a favorable condition. The score hits below the average, as the total final score of external and internal factors are 2.37 and 2.13 respectively, which are smaller than 2.5.

Therefore, it is suggested that the organization should emphasis on the aggressive strategies in the input process and apply the defensive strategies in the maintenance and out process of the human resources.

According to research findings, if the organization is successful in implementing the proposed strategies, it could lead to synergistic organizational activities where coherence and coordination between HR policies and general strategies of the organization could be feasible. In order to strengthen the organizational culture, while increasing the participation, innovation, morale and motivation of the staff, organizations are advised to develop and institutionalize certain corporate ethics based on culture and religion. To inform the traditional leaders and managers, to modify and modernize their negative beliefs while updating their knowledge in applying the new science and technology in recruitment and utilization of the human resources; appropriate professional training sessions are to be provided. For the fulfillment of educational programs and training objectives, the organization should emphasize the principles of the educational and training techniques and following the cycle of identifying the needs, planning, implementation and evaluation. This will help in educating the new comers as well as enhancing the technical skills of the in-service employees. In order to recruit and utilize the high educated, experienced and expert workforce, the organization should use the standard facilities and scientific tools of the HRM. To strengthen the collaboration and cooperation between managers and employees besides the establishment of the procedure of meritocracy at different levels of the organization, payment policies and incentive bonus schemes are to be designed and implemented based on performance, productivity and efficiency of the employees. Systematic process of HR transmission and movement, not only is a step in the maintenance of human resources, but it is also considered as a key point in improving the quality level of the resources and creating balance across the organization.

Development and implementation of a detailed job analysis, gives an accurate picture of the job description, job specification and the requirements, including experience, training, education as well as psychological and physical characteristics. Other goals such as efficient selection and placement, high quality training and proper payroll systems for job evaluation could be obtained through effective job analysis.

To achieve a balanced growth and development of human resources, a comprehensive system of manpower planning such as career development, successions planning, etc., are to be designed and implemented.

From the above suggestion, it is concluded that the mentioned concepts lead the human resources to create new knowledge, sharing it among them, merging this knowledge into the organizational knowledge and use it to solve the crisis and possible problems of the organization. Therefore creation and establishment of a learning organization is an excellent competitive advantage criterion that could play a firm and flexible role in the ever changing organizational environment. Thus, this research forms an idea for further study on new management style in HR context followed by the role of learning organizations in developing competitive advantages.

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