

<p><b>Business strategy</b></p> <p>Short-haul, low-cost, point-to-point, between mid-sized cities, secondary airports of large cities</p> <p><b>Strategic differentiation / target market</b></p> <p>Business travellers, families, students; price sensitive (drivers) and convenience oriented (full service otherwise)</p> <p><b>Motivation</b></p> <p>Well paid gate, ground crews</p> <ul style="list-style-type: none"> <li>Taylor (2008), McGregor (1960), Maslow (1943), Drucker (1954), Locke (1968) - money is a motivator</li> <li>Barber &amp; Bretz (2000) - money is the most important motivator</li> <li>Harzberg (1968) - 2 factor theory - hygiene factors (work conditions, relations i.e. unions, policy, salary) and motivational factors (recognition achievement, personal growth)</li> </ul> <p><b>Employee shared ownership</b></p> <ul style="list-style-type: none"> <li>Martocchio (2006) - pay for performance</li> <li>Delery &amp; Doty (1996), Miles and Snow (1978) - strategic configuration - Defenders vs Prospectors - resourcing, L&amp;D, employee relations, reward</li> </ul> <p><b>Belonging, retention, Choice (2002)</b></p> <p><b>Flexible union rules &gt; flexibility in turnarounds</b></p> <ul style="list-style-type: none"> <li>Delery and Doty (1996), Miles and Snow (1978) - Strategic HRM configuration - Defenders model</li> <li>Pfeffer (1988) - job-security</li> <li>Harris (2003) - recruitment, careful selection, performance appraisals, unions involved</li> <li>Harzberg (1968) - 2 factor theory - hygiene factors (work conditions, relations i.e. unions, policy, salary) and motivational factors (recognition achievement, personal growth)</li> <li>Maslow (1943) - affiliation (level 2), achievement (level 1), responsibility (level 2)</li> <li>Clayton - interpersonal relationships (level 2) relatedness needs</li> <li>Delery &amp; Doty (1996), Miles and Snow (1978) - strategic configuration - Defenders vs Prospectors - resourcing, L&amp;D, employee relations, reward</li> </ul> <p><b>Careful recruitment</b></p> <p>Workforce with substance: transparent, differentiated</p> <ul style="list-style-type: none"> <li>Harris (2003) - recruitment, careful selection, performance appraisals, unions involved</li> <li>Bratton and Gold (2003) - leverage workforce - critical - competitive advantage</li> <li>Storey (1995) - competitive advantage through strategic development of highly committed and capable workforce via cultural, personnel techniques</li> <li>Mintzberg &amp; Waters - planned strategy (clear intentions, translated), emergent strategy (bargaining, change, feedback)</li> <li>McGregor (1960) - promote responsibility and self-motivation</li> <li>Anderson &amp; West (1994) - communication, participation, cohesiveness, innovations, vision</li> <li>Bolton &amp; Isaacson (2012) - people management act as enablers for overall strategy implementation</li> </ul> <p><b>Progression, job security</b></p> <p>Colleen Barrett from legal secretary to airline president</p> <ul style="list-style-type: none"> <li>Delery and Doty (1996), Miles and Snow (1978) - Strategic HRM configuration - Defenders model</li> <li>Beardwell &amp; Clayton (2004) - soft: L&amp;D, internal job markets, security; hard: flexibility, performance pay</li> <li>Collins &amp; Watts (1996) - cost reduction not by undermining labour but by having career paths - specialisation, expertise, efficiency</li> <li>Harzberg (1968) - 2 factor theory - hygiene factors (work conditions, relations i.e. unions, policy, salary) and motivational factors (recognition achievement, personal growth)</li> <li>Delery &amp; Doty (1996), Miles and Snow (1978) - strategic configuration - Defenders vs Prospectors - resourcing, L&amp;D, employee relations, reward</li> </ul>	<p><b>Strategic differentiation / operational efficiency</b></p> <p>Clear specs about type &amp; length of route &gt; standardised fleet of aircraft &gt; easy maintenance</p> <p><b>Operational efficiency</b></p> <p>15 min gate turnaround &gt; planes flying longer, frequent departures w/ fewer aircraft</p> <ul style="list-style-type: none"> <li>Schuler and Jackson (2005) - V&amp;H integration, effectiveness, partnership business &gt; HRM</li> </ul> <p><b>Auto-ticketing - no travel agencies &gt; less commissions</b></p> <ul style="list-style-type: none"> <li>Anderson &amp; West (1994) - communication, participation, cohesiveness, innovations, vision</li> </ul> <p><b>Strategic differentiation</b></p> <p>No meals / assigned seating / interline baggage checking / premiums &gt; no delays (competition)</p> <ul style="list-style-type: none"> <li>Porter (1985) - strategic differentiation - cost reduction, quality enhancement, focus quality, innovation, niche market, strategic positioning, unique activities, trade-offs &gt; sustainable competitive advantage; cost focus vs cost-leadership</li> <li>Richard, W Beatty (2009) - internally differentiated workforce delivers the business strategy externally</li> </ul> <p>Short distances only, frequent departures only, convenient service &gt; quantitative, effectiveness</p> <p>Avoids large airports &gt; no slowing down (competition)</p> <p><b>No traditional hierarchies</b></p> <ul style="list-style-type: none"> <li>Maxwell &amp; Watson (2006), Purcell &amp; Hutchinson (2010) - increase LM responsibilities for HR issues</li> <li>Bonn (2010) - LM are to find practical solutions for SHRM implementation</li> <li>No traditional hierarchies - clear job title requires hierarchies, otherwise may produce confusion</li> <li>Anderson &amp; West (1994) - communication, participation, cohesiveness, innovations, vision</li> <li>Bonn (2010) - LM are to find practical solutions for SHRM implementation</li> <li>Maxwell &amp; Watson (2006), Purcell &amp; Hutchinson (2010) - increase LM responsibilities for HR issues</li> </ul> <p><b>Belonging, bridge, best practice bundles</b></p> <p><b>Mission statement every 3 feet</b> - "Follow the Golden Rule - treat people the way you want to be treated" (how company treats employees) - Co-founder Herb Kelleher "happy and motivated workforce will essentially extend their goodwill to Southwest's customers" - Airline - employees - customers - stakeholders</p> <ul style="list-style-type: none"> <li>Jones &amp; George (2011) - value chain improvement via JIT, TQM and CRM</li> <li>Fombrun et al (1984) - relate HR activities to organisational strategy at key org. development stages</li> <li>Bolton &amp; Isaacson (2012) - people management act as enablers for overall strategy implementation</li> <li>Hackman &amp; Oldham (1980) - motivation generated from: skill variety, task significance, autonomy, feedback; feeling of meaningfulness from: responsibility, knowledge of results</li> <li>Maslow (1943) - affiliation (2), achievement (1), responsibility (2)</li> <li>Sung &amp; Ashton (2008) - link strategy, skills to performance</li> <li>Schuler and Jackson (2005) - V&amp;H integration, effectiveness, partnership business &gt; HRM</li> <li>Mintzberg &amp; Waters - planned strategy (clear intentions, translated), emergent strategy (bargaining, change, feedback)</li> <li>Torrington et al. (2008) - job satisfaction - performance, policy interpretation done by LM</li> </ul> <p><b>Collaboration</b></p> <p><b>Management to liaise with associates at every step</b></p> <ul style="list-style-type: none"> <li>Pfeffer (1988) - HRM configurations - teamwork</li> <li>Anderson &amp; West (1994) - communication, participation, cohesiveness, innovations, vision</li> <li>Fombrun et al (1984) - relate HR activities to organisational strategy at key org. development stages</li> </ul> <p><b>Egalitarian</b></p> <ul style="list-style-type: none"> <li>Stecher &amp; Rosse (2007) - distributive justice</li> <li>Redmond (2010), Sweeney &amp; McFarlin (1997) - process of allocating rewards transparently</li> </ul>
<p><b>Critique</b></p> <ul style="list-style-type: none"> <li>No traditional hierarchies - clear job title requires hierarchies, otherwise may produce confusion Beardwell et al (2004) - within Choice (2002) model, for not treating employees as aggregate commodities -&gt; costly</li> <li>Abernathy &amp; Wayne - operational effectiveness decisions may be strategic in certain conditions (i.e. route length/type)</li> <li>Huslid (1995) - all best practices treated the same as it becomes assumed that can be used in all environments</li> <li>Purcell &amp; CIPD (1999) - no bundles of HRM here - H&amp;V integration</li> </ul> <p><b>BGG matrix - cow</b></p> <ul style="list-style-type: none"> <li>Large market share, mature slow growing industry, little investment, stability strategies</li> </ul> <p><b>GSK model - strategic positions - workforce differentiation</b></p> <ul style="list-style-type: none"> <li>Not in hierarchy, create wealth/value, major UX impact, major revenue variation</li> </ul> <p><b>HRM best practice bundles Pfeffer (1988)</b></p> <ul style="list-style-type: none"> <li>Job security, careful hiring, L&amp;D, share business intel w/ employees, employee involvement, equality, performance pay, teamwork, internal labour markets</li> </ul> <p><b>Financial motivation</b></p> <ul style="list-style-type: none"> <li>Taylor (2008), McGregor (1960), Maslow (1943), Drucker (1954), Locke (1968) - money is a motivator</li> <li>Barber &amp; Bretz (2000) - money is the most important motivator</li> </ul> <p><b>Trade-offs</b></p> <ul style="list-style-type: none"> <li>Low prices - Strip services, automation, efficiency, standardisation</li> <li>UX - Careful recruitment, motivation, mission statement, belonging, agile people</li> <li>High conversion % - Open to all niche target, quantitative</li> </ul> <p><b>HR architecture Leepak and Snell (2002)</b></p> <ul style="list-style-type: none"> <li>Business strategy - TQM, low costs, lean thinking JIT, customer services, operational efficiency, standardisation</li> <li>People agenda - customer service, empowered force, top industry wages, collaboration, committed, transparent</li> <li>HR agenda - talent management focus, hands on management, transparency, agile, progression driven</li> </ul> <p><b>Goal setting theories</b></p> <ul style="list-style-type: none"> <li>Vroom (1964) - expectancy theory - enable to agree targets - more likely to attempt</li> <li>Adams (1965) - equity theory - employees consider input in relation w/ output</li> <li>Locke (1968) - goal setting theory - goals to be challenging, measurable, time bound &amp; accepted by staff</li> </ul> <p><b>Theories all in</b></p> <ul style="list-style-type: none"> <li>Appelbaum et al (2000) - Ability, Motivation, Opportunity - for people to perform better must have all</li> <li>Harrison (2005) - AMO - more likely to succeed - link between HR practices and org. performance</li> <li>Sisson &amp; Storey (2000) - competitive strategies - cost reduction, quality enhancement, innovation - resourcing L&amp;D, rewards, relations (unions)</li> </ul> <p><b>Porter (1980) 5 forces</b></p> <ul style="list-style-type: none"> <li>Threat of entry (what factors keep competitors out), industry rivalry (why does an industry have more rivalry), buyer power (what makes buyers more powerful), substitute competition (what choice do customers have), supplier power (what makes suppliers more powerful)</li> </ul> <p><b>Conclusion</b></p> <ul style="list-style-type: none"> <li>Cost focus?: differentiation strategy (high quality, low prices, top wages); HRM strategy is linked to Business strategy; maximising resources &amp; developing its capabilities;</li> </ul>	<p><b>The bridge (Business strategy &gt; People agenda &gt; HR approach)</b></p> <ul style="list-style-type: none"> <li>Key roles from value chain - Gate, ground crews in GSK model - strategic positions - wealth or value, revenue-enhancing / cost reducing impact, strategic impact on customers, performance variability possibly subject to incumbent, cannot be placed in hierarchy, &lt;15%</li> <li>Culture and behaviours - Collaboration, longevity, transparency, egalitarian spirit, can be motivated resources, challenge, change ready, bring efficiency, belonging, automation, agile</li> <li>Key competencies &amp; skills - Transparency, collaboration, fast phase, agile</li> <li>Decisions/trade-offs in value chain - Feedback (consumer good will extended), production development (15 min, 4 NOs), marketing (clear service definition, clear target market), materials (standard stock - maintenance), production creation (equality, niche market), sales (automation) after sales (UX)</li> <li>People drive business performance - Motivation, unions, effective recruitment, mission statement</li> </ul> <p><b>HRM model - Harvard (Beer et al., 1985) - best practice model</b></p> <ul style="list-style-type: none"> <li>Social wellbeing, results driven, unions, employee share ownership, soft HRM</li> <li>Stakeholders, situational, HRM policy/HRM outcomes, long term consequences</li> </ul> <p><b>HRM model - Guest (Guest, 1989, 1997) - best practice model</b></p> <ul style="list-style-type: none"> <li>HRM strategy - differentiation, focus quality, cost reduction</li> <li>HRM practices - careful selection, reward, involvement</li> <li>Outcomes - commitment, quality, flexibility</li> <li>Behavioural outcomes - motivation, cooperation, involvement</li> <li>Financial outcomes - profit, ROI</li> <li>Performance outcomes - high (production, quality, innovation), low absence, turnover, complaints</li> <li>**high commitment management, high quality, flexibility, strategic integration business &gt; workforce**</li> </ul> <p><b>HRM model Choice (Analoui, 2002): holistic, flexible, considers org. &amp; environment (Beardwell et al., 2004)</b></p> <ul style="list-style-type: none"> <li>Organisation - mission statement, strategy, management culture, policy</li> <li>Personnel - ideology, awareness, perception</li> <li>External - environment, political stakeholders, unions, associations, cultural</li> </ul> <p><b>HRM concepts - Whittington (2000) - profit maximisation &amp; emergent</b></p> <ul style="list-style-type: none"> <li>Not driven by one manager, mix between forces, events feedback and performance; opposite to classical, adaptive and emergent, work at all levels to influence strategy, collective learning</li> </ul> <p><b>Other HRM concepts used</b></p> <ul style="list-style-type: none"> <li>Jones &amp; George (2011) - 7 areas of functions known as value chain to be reviewed using CRM, TQM (total quality management) and JIT (just in time) and improved to work together</li> </ul> <p><b>Environmental factors</b></p> <ul style="list-style-type: none"> <li>Legislation and compliance - employment law</li> <li>Effects and influences - perception of diversity (Storey, 2007), cultural diversities (Hodgetts and Luthans et al. 1993), dominance effect (Pudelko and Harzing, 2007)</li> <li>Resource placement - best resource vs local vs HQ (Perlmutter, 1969)</li> </ul> <p><b>Key tools</b></p> <ul style="list-style-type: none"> <li>Careful recruitment - employees with substance, honest and committed to to change</li> <li>Differentiation - internally differentiated workforce - deliver the business strategy externally (Richard, W Beatty, 2009; strategic decisions - aimed at differentiating ppl (Porter, 1980)</li> </ul> <p><b>Line managers</b></p> <ul style="list-style-type: none"> <li>Personal goals set via appraisals, low turnover, more likely to attempt (Vroom, 1964)</li> <li>Policies to promote responsibilities - likely to succeed (McGregor, 1960)</li> <li>SMART objectives - specific, measurable, agreed upon, realistic, time-based (Locke, 1968)</li> <li>Line functions work - must find practical solutions for HRM implementation (Bonn, 2010, p 5)</li> </ul>