ROLE OF HUMAN RESOURCES MANAGEMENT AS A COP MATCH-MAKER

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ABSTRACT

This paper proposes that improvement to organisational performance could be achieved through the use of the concept of Community of Practice CoP to manage organisational internal services. This means CoP of Human Resources and CoP of Line Managers may deal with each other on the basis of services requested, provided CoP of Line Managers is supplied by the CoP of human resources.

The significance of this relationship is that requested services from the CoP of human resources must be in compliance with what the CoP of human resources can deliver.

Naturally differences may exist between expected and offered services. These differences may lead to gaps in quality, cost and time of delivery of services. Furthermore, those gaps may also be due to mismatch between expectations and perception of organisational CoPs. In this research services are classified as above expected, normal or below expected level of service.

This paper also proposes that unless the CoP of human resources has sufficient knowledge about the perception of what the CoP of Line Managers want, the organisation may face unnecessary liabilities expenses due to non-compliance, rework and waste of resources. A central issue is quality of the service provided and the associated assessment of its performance. Inappropriate assessment of the service performance could lead to mismatch or gaps between the expectation of the CoP of Line Managers and the perception of the service by the CoP of Human Resources Management.

It is envisaged that this research could assist management in streamlining their operations and control of cost and avoid wastage. This should ultimately lead to improvement in organisational performance.

INTRODUCTION

Traditional sources of competitive advantage have been products, processes, technology, markets segmentation, and economies of scale. However the recent rise of globalisation has added a new and more powerful source of competitive advantage. Furthermore, Caliskan (2010) has pointed out that people are the most important resource to an organisation and therefore activities of the human resources department in providing services could be an important source of competitive advantage. Soliman and Spooner (2000) reported that effective management of people in an organisation is necessary to sustain competitive advantage and that the role of human resources management (HRM) is pivotal for long-term sustainability of organisations.

HRM is usually assigned a number of functions such as creating trust between staff and management, mutual respect, dedication and cohesiveness of the workforce involved. In addition HRM plays a key role as decision-maker within organisations. For instance the HRM role includes: a) on-going shortening of the development cycle of products and services; b) appropriate communication with suppliers; c) responding to staff feedback; and d) facilitator of research and development facilities. Furthermore, HRM plays significant role in: individual development, inter-organisational relations, communication between line managers and outside service providers and matching line managers' needs with outside recourses and skills. This means HRM acts as a service provider to line managers.

Ultimately these roles could benefit staff that are consistently experiencing difficulties such as a) lack of progress towards goals; b) inappropriate leadership; c) failure to make sound decisions; d) interpersonal hostility; e) role confusion or alienation; and f) high turnover, absenteeism. That is why it is proposed that the concept of CoP could be used to enhance the role of HRM.

Zeithaml (1988) pointed out that the evaluation of value of goods and services, in addition to other factors, must be based on cost, time and quality. From this perspective Clark and Soliman (1999) reported that customers' confidence in the goods and services have now shifted to include performance assessment of costs, quality and time of delivery of the goods or services in question.

Furthermore, Saravanan and Rao (2007) believe that the appraisals of services must be conducted at all levels of the services. This must also apply to services internal to the organisation such as activities performed by the HRM in their response to line managers for a particular service.

THE ORGANISATION AS A COLLECTION OF COMMUNITIES OF PRACTICE COPS

Community of practice is a relatively new concept that was introduced by Lave and Wenger in the 1990s. It is argued that the concept could be used for efficient management of resources within firms. Several studies investigated the role of CoP on the individual or organisational performance. For example, in a study of the role of CoP on organisational performance, Schenkel and Teigland (2008) pointed out the relationship between CoPs and organisation performance. However several researchers noticed the lack of empirical studies exploring the influence of CoPs on organisational performance (Schenkel and Teigland, 2008).

It is observed that CoPs can exist in any organisation and that large organisations may be better equipped with the required resources to utilize CoPs as a method of good management (Roberts 2006). It is also noticed that CoPs exist in different sectors within the service and production industries. An increasing number of managers have begun to develop and support CoPs for their management strategies or even as a supplementary organisational structure (Probst and Borzillo 2008). Bathelt, Malmberg and Maskell (2004) proposed that experiences shared across large organisations, sections and employees are limited. Consequently, there is sufficient evidence to support applying the concept of CoP to the practice of HRM in organisations.

Elkington (1994) suggested that the competitive advantage of organisations could be enhanced further by the use of the CoP concept. Samaddar, Nargundkar and Daley (2006) presented a number of benefits such as increased competitive advantage resulting from utilization of CoP. Some of these benefits include acquisition of resources that are not available in the organisation, facilitation of flow of goods and services, decreasing the level of inventory, and reducing costs. However, Lesser and Storck (2001) found that CoPs could positively impact on three organisational performance areas: 1) decrease new employees' learning curve; 2) rapidly respond to customers' needs and inquiries; and 3) generate new ideas for products and services. On the other hand Lindkvist (2005) stated that CoP literature is scarcely logical and still developing and the concept remains unclear. That is why Scarso and Bolisani (2008) pointed out that measuring the performance of CoP's costs may be necessary for CoP performance analysis.

Many authors such as du Plessis (2008) mentioned that members of CoP usually share the same goal of learning from each other, they share the same knowledge and/or experience, they have common concerns and interests, and they are informally engaged together. For example, in a manufacturing company the CoP, say, of design engineers is such a group. Equally true, the CoP of Human Resources is also another similar group. Further definition of

communities within organisation boundaries as CoP of co-located employees has been given by Preece (2003).

Using the example of CoP of Design Engineers and a CoP of HR, it is clear that there are two different groups of practitioners who are usually involved in various activities such as CoP of Design Engineers' request for services from CoP of HR.

This means that intra-organisational CoPs could be divided into co-located employees who are working in the same organisation department and non co-located employees working in the same organisation but in different departments or branches, even those working in remote locations in the same country or abroad. A comparison between the CoP and other organisational structures has been provided by Wenger, McDermott and Snyder (2002, 42). The comparison has been used by Cox (2005) to emphasise that the CoP concept is very well suited for application within organisations. Therefore, it is appropriate to refer the practices of organisational functional managers or line managers as CoP of Line Managers and to HRM as CoP of HR.

From the above discussion, it is clear that there should be a relationship between CoP of Line Managers and CoP of HR. The relationship between these two CoPs is in effect a relationship between customer and supplier. Therefore, CoPs' expectations and perception of the service performance may be studied and analysed using the same concept of customers-suppliers relationship.

It is important to acknowledge that CoP of Line Managers' expectations may depend on whether the members of the CoP are experienced. This is because CoP of Line Managers could have differing expectations due to a number of factors such as culture, familiarity with the service, understanding the quality aspects of the service and appreciation of the costs and the time of delivery of service.

Furthermore, CoP of Line Managers may differ in assessing quality, costs and time delivery due to the existence of a wide range of different rules and scales. However, CoP of Line Managers' expectations are ultimately based on what the service provider can deliver within the agreed terms and conditions of the service agreement.

It is noted that the concept of customers' expectations were originally defined by Olson and Dover (1979) as "the beliefs that the product is judged by its performance against established or agreed standards or benchmarks". However almost ten years after Olson and Dover's definition, Parasuraman, Zeithami and Berry (1988) pointed out that expectations should also reflect

what customers want from the service provider, i.e. what the service provider *should* offer rather than *would* offer. This concept was used by Zeithaml et al (1993) to further develop service assessment appraisals based on what customers desire or deem acceptable. This in turn means the perceived service performance should stem from CoP of Line Managers' assessment on what they wish to receive from the service provider, taking into account the cost of the service and the delivery time of the service. In other words CoP of Line Managers should assess the perceived service performance from the HRM on the basis of cost, quality and timeliness of the service.

## PERFORMANCE OF THE SERVICES RECEIVED BY COP OF LINE MANAGERS

As mentioned above a request for services from the CoP of HRM is usually made by its customers, i.e. the CoP of Line Managers. Those requests could be made by one or more members of the CoP. For example, a training required by CoP of Line Managers to educate staff about some important changes to some policies or regulations, may come from some or all members of the CoP of Line Managers.

Furthermore, it is conceivable that not all members of the CoP would be seeking the same service at the same time and for the same staff. Therefore it is possible to find a situation where, at any given time, an assortment of requested services has been presented to the CoP of HRM. Nevertheless, services could be requested and delivered to different members of the CoP of Line Managers with different quality, different cost and delivered at different times.

Naturally this situation may give rise to different levels of expectations and therefore it is possible for the CoP of Line Managers to assess the service they receive from the CoP of HRM as being either above expected service, or adequate service, or below expected service.

This concept is explained by the diagram in Figure 1 below.

It is still arguable that even after applying appropriate performance management models, performance-related problems could still be found in the services received by CoP of Line Mangers. That means that performance problems may be deeper than just developing a new performance model or program and may be due to the existence of a number of discrepancies or defects in the design and/or implementation of the performance management models.
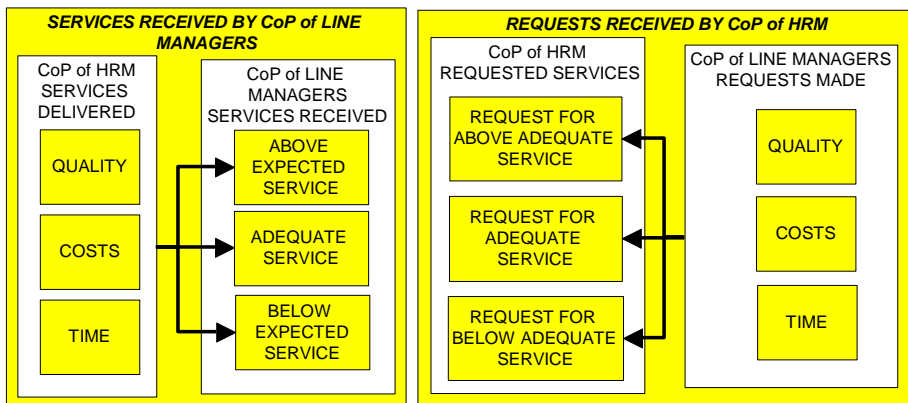
Figure 1: Services received by the Community of Practice of Line Managers.

These defects have been referred to by Mehrez (2010) and Soliman (2009) as *gaps* in designing and/or implementing these management models. However, as a starting point in developing any performance management program, it will be important to determine whether the two services required and delivered are consistent with respect to assessment of quality, costs and time delivery. This situation is illustrated in Figure 2 below.
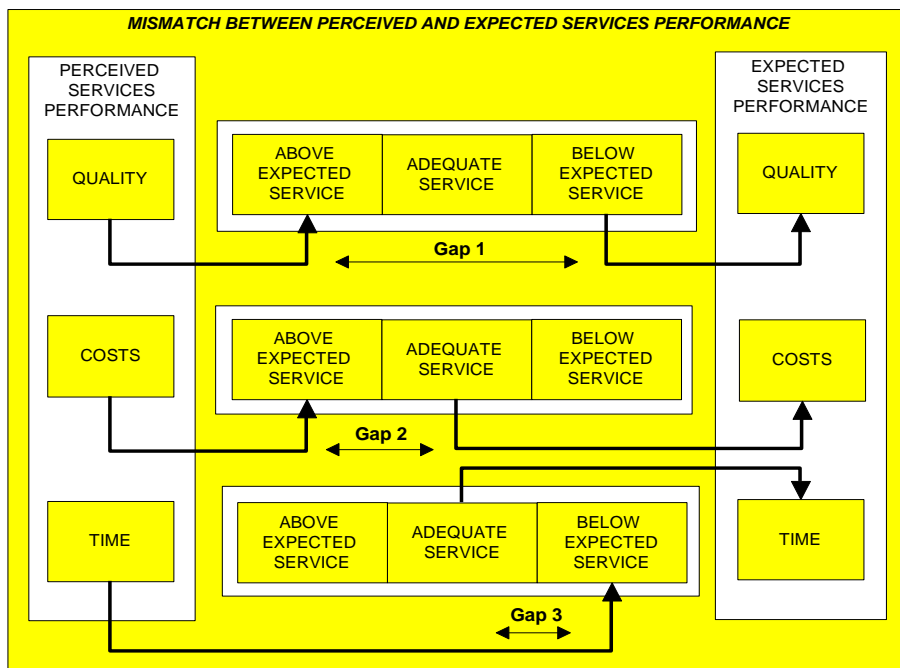
Figure 2: Gaps in Services received by the Community of Practice of Line Managers.

Zeithaml, Berry and Parasuraman (1993) have alerted to the possibility that expectations of CoP of Line Managers could become a standard that affects all future expectations in relation to the measure of quality of service and satisfaction of CoP of Line Managers. Accordingly, HRM should adopt a practice based on integration as basis for decision-making. The significance of integration to organisational performance has been highlighted by Soliman, Clegg and Tantoush (2001). This triggers three integral questions – Who are the CoP of Line Managers? How can HRM gather information from its CoP of Line Managers regarding their expected outcomes? How will HRM observe (and act upon) the expectations of CoP of Line Managers? These questions are addressed below.

PERCEPTION OF COP OF HRM ABOUT EXPECTED SERVICES

Recent studies point to two key standards of service delivery expectations; namely *will expectations* and *should expectations* (Boulding, Kalra, Staelin and Zeithaml, 1993). They defined the *will expectations* as "what customers believe will happen during subsequent contacts with the service delivery system". Similarly they defined the *should expectations* to represent a normative standard that corresponds roughly to "what ought to happen" in subsequent encounters.

However, it should be pointed out that Parasuraman, Berry and Zeithaml (1991) referred to the *will expectations* and *should expectations* as *adequate expectations* and *desired expectations*. The Parasuraman et al work was further developed by Zeithaml et al (1993) who further defined the *will expectations* as *predicted service expectations*. They also proposed that the *adequate service expectations* may be defined as "the level of service the customer will accept". The Zeithaml et al (1993) findings point to the important fact that the customer's *will expectations* are usually based on past experience, personal communications, and the organisation promises of the service, while the customer's *should expectations* are based more on personal needs. Customer satisfaction is distinct from service quality assessments in that satisfaction results from a comparison between predicted service and perceived service.

The Zeithaml et al (1993) findings are actually based on the theory developed by Parasuraman et al (1991) which suggests that customers' perceptions of service is affected by the perceptions that features of the goods or services. These perceptions are related to reliability and responsiveness and other factors such as assurance, and empathy. About the same time, the reliability issue was addressed by Boulding et al. (1993) who found that reliability must be one of the most important features of the service and that it should be used as a key performance measure of service expectation. However,

conceptualizations of customers' satisfaction have varied widely. One view is that customers' satisfaction is in fact transaction-specific in nature, while others view it as a cumulative evaluation based on perceived service quality (Cronin and Taylor, 1992).

Zeithaml et al (1993) suggested that the requested service should also reflect the customers' perceptions of the degree to which they can obtain better service through the provider. This means it is possible that some of the CoP of Line Managers may be placing requests for different levels of service, i.e. either above adequate service level, or below adequate service level, and discrepancy (ies) is/are likely to occur. Naturally the CoP of HRM themselves may be interested in ensuring that all requests are within acceptable levels of adequacy so that their customer i.e. Line Mangers, are satisfied and hence they avoid unnecessary reworking down the stream in the process. The comparison between the excepted, predicted and perceived performance management program should lead to an important question which is how to determine the required level of performance i.e. whether the services is above expected service, or below expected service?

This situation is illustrated in Figure 3 below.
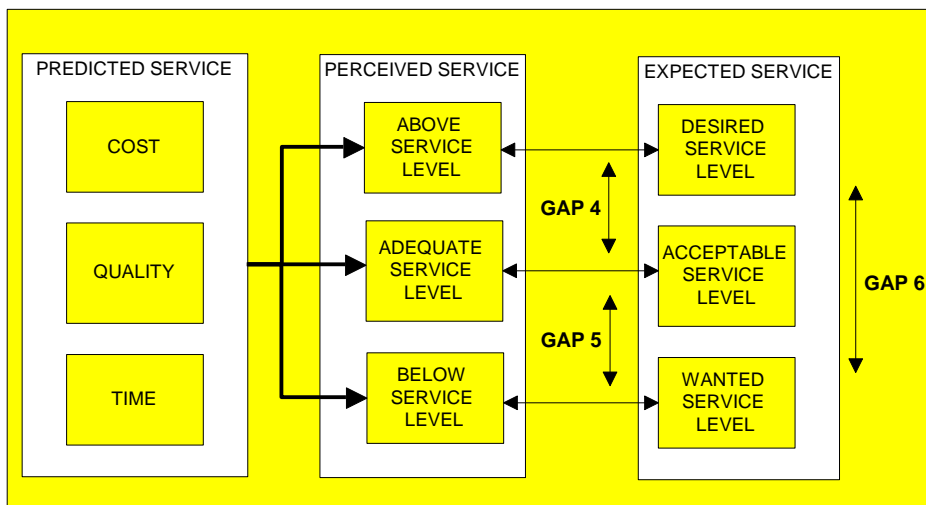
Figure 3: Gaps in predicted, perceived and expected Services received by the Community of Practice of Line Managers.

GAP ANALYSIS

Although Barney and Wright (1998) pointed out that an effective Human Resource Department should play an important role in enabling an organisation to gain their competitive edge, there is still little research being

conducted in this field on the factors that drive Human Resource Departments' performance. Furthermore, Rohling, Boswell, Caligiuru, Feldman, Graham, Guthrie, Morishima and Tansky (2005), Soliman (2009) and Mehrez (2010) have all pointed out that gaps may occur in organisational operations and therefore an important function of HRM activities is to ensure that those gaps are either eliminated or avoided in the delivery of services to CoP of Line Managers.

A gap analysis model along the model of Parasuraman et al. (1985) has been proposed for this study. The model indicates that gaps could occur as a result of discrepancies between what is expected and what is actually delivered. These service gaps may appear due to discrepancies in designing and implementing knowledge management strategy (Soliman and Spooner 2000). However, the service quality gaps in this research may be also due to discrepancies between what is expected and is perceived in terms of cost, quality and delivery time conditions. These gaps are affected by (as well as affecting) the performance of the service. For example, if the CoP of Line Managers and the CoP of HRM have clearly defined and agreed on the appropriate level of service quality, the negative impact of those gaps could be avoided.

The above model could be developed to investigate the following research problem:

1. Is there any difference (*gaps)* between the level of services expected, perceived and predicted by both CoP of Line Managers and the CoP of HRM?

2. Are those differences or gaps, due to mismatch between what is expected, perceived and predicted in terms of Costs, Quality and Delivery Time?

The above conceptual model has the potential for empirical analysis. In such a case a set of hypotheses with respect to the above research questions should be formulated to examine whether there is a positive correlation between the CoP of HRM and CoP of Line Managers in relation to:

1. Level of service being either above expected service, or adequate service, or below expected service;
2. Quality, cost, and time of delivery of the service;
3. Prediction of the level of service, quality, cost, and time of delivery of the service.

The result of the above model could lead to the construction of the following *Service Matrix* as shown in Figure 4 below.

SERVICE MATRIX			
CoP of HRM SERVICES PROVIDED			
HIGH	ABOVE EXPECTATION SERVICE	ABOVE EXPECTATION SERVICE	ADEQUATE SERVICE
MEDIUM	ABOVE EXPECTATION SERVICE	ADEQUATE SERVICE	BELOW EXPECTATION SERVICE
LOW	ADEQUATE SERVICE	BELOW EXPECTATION SERVICE	BELOW EXPECTATION SERVICE
	LOW	MEDIUM	HIGH
	CoP of LINE MANAGERS REQUESTS		

Figure 4: Service Matrix for services made by the Community of Practice of Line Managers.

CONCLUSIONS

This paper illustrates that unless the human resources department have sufficient knowledge about the perception of what the CoP of Line Managers want, the organisation may face unnecessary liabilities and unnecessary expenses due to non-compliance, the need to rework or redo the defective service. A central issue is quality of the service provided and the associated assessment of its performance. Inappropriate assessment of the service quality and its performance could lead to mismatch or *gaps* between the expectation of the CoP of Line Managers and the delivered services by the CoP of Human Resources Management.

Therefore the basis of this research is to identify the gap, and also to investigate how those gaps occur and how to distinguish each type of gap. Addressing those gaps could improve the organisation's ability to influence performance and sustain competitiveness. If the expectation of the CoP of Line Managers differs from the perception of the CoP of HRM, a mismatch or a gap is likely to occur and therefore the sustainability of the organisation competitiveness may be at risk (Tissen, Lekanne Deprez, Burgers and Monfort, 2010). Furthermore there is also a risk of slack performance and liability costs for the organisation.

It is arguable that unless human resources departments improve their services by selecting appropriate levels of expected and/or perceived services, they would risk excessive rework and waste of resources. These non-optimal outcomes could be causes of gaps. It is envisaged that this research will assist management in streamlining their operations, control costs and avoid wastage, and ultimately improve organisational performance.

According to McKnight (2009), human resource departments should actively work with their customers (CoP of Line Managers) to manage their expectations of the anticipated services. In other words, for HRM to have sustainable successful operation, it is necessary to understand that the expectations of CoP of Line Managers is dynamic and therefore a mechanism for facilitating their expectations is required.

There seems to be discrepancies between CoP of Line Managers' requests for services from the CoP of Human Resources Departments. Those discrepancies could incur additional costs for reworking and rectifying associated problems. This could be a cause of wastage in time and resources. This paper attempts to identify and determine those gaps. The paper also may assist HRM to be mindful about using standard performance measures when dealing with organisational resources. This should encourage an innovative model which allows more information to flow to all parties involved.

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