



Strategic HRM in a Networked World

Presentation Slides

Table of Contents

Strategic HRM: Implications for the future.....	3
Sources.....	4
Multilevel model of strategic HRM.....	5
Strategic HRM in a networked world.....	6
Challenges of networked organizations.....	7
Networked working	8
Types of networks.....	9
Types of networks (continued)	10
Types of networks (continued)	11
HRM Models in a networked context	12
Buffering the network: Human Capital Agility.....	13
Borrowing from the network: Leveraging complemetarity.....	14
Balancing the network: Multidimensional agility	15

Strategic HRM: Implications for the future



Human Resource Management

Strategic HRM: Implications for the future

Aradhna Malik (PhD)

Assistant Professor

VGSoM, IIT Kharagpur

Sources

- Jiang, K., Takeuchi, R. & Lepak, D. P. (2013). Where do we go from here? New perspectives on the Black Box in strategic human resource management research. *Journal of Management Studies*, 50(8), 1448-1480.
- Swart, J., & Kinnie, N. (2014). Reconsidering boundaries: Human Resource Management in a networked world. *Human Resource Management*, 53(2), 291-310.

Multilevel model of strategic HRM

(Jiang, Takeuchi & Lepak 2013)



Strategic HRM in a networked world

(Swart & Kinnie, 2014)

- Management of human capital and relational capabilities of the firm
- Focuses on “...development of skills that facilitate relationship building & specifically, team-based effectiveness”
- Defining characteristics:
 - Buffering model – Fluidity
 - Borrowing model – “Leveraging experience at the level of the network”
 - Balancing model – “Duality of membership & HRM practices, which result in network-level efficiency”

Challenges of networked organizations

(Swart & Kinnie, 2014)

- “Networked working [is] the co-creation of products and services that have economic value for stakeholders extending beyond the boundaries of a single organization.”
- “...need to consider how suppliers, partner, clients and customers influence the way in which people are managed.”

Networked working (Contd.) (Swart & Kinnie, 2014)

■ Individual perspective:

- “Identities of ‘employees’ in [the] liminal space (space between the connection employees have to their organizations and their clients) are formed through a dialogue between themselves & the parties with whom they interact.”
- Challenges:
 - “Multiple time target demands from various stakeholders placed on the individuals which may create both synergies (creation of value for both) and conflicts.”
 - Emotional pulls from both sides
 - Sense of commitment

Types of networks (Swart & Kinnie, 2014)

■ Interactive networking:

- “Organizations work with partners & suppliers to provide products & services to clients.”
- “Aim is to meet the needs of clients by actively engaging with network partners while ‘protecting’ firm-specific skills, often via strong commitment to the organization.”
- Characteristics: “Frequent interaction between various stake-holders at senior levels within each partner”
- Tensions:
 - “Establishment of internal employment practice equity”
 - “Management of boundary between its own HRM practices and network partners’ employment practices”
 - “Ambiguous power relationships & client demands”
 - Provision of most updated specialized knowledge vs. creation of new knowledge that can be sold through expensive experimentation – who absorbs the costs?

Types of networks (Contd.) (Swart & Kinnie, 2014)

- Interwoven networking: “Collaboration of several firms to produce a particular network level output.” e.g. film production, consulting, construction of a bridge/ apartment complex/ mall, etc.
 - Relational tensions include, “Agreement of outputs, collaboration, decision regarding the ‘best’ professional solution and the most cost-effective solution, organizational commitment, access to scarce resources, trust, keeping employment costs down, etc.”

Types of networks (Contd.) (Swart & Kinnie, 2014)

- “Aim [...] is concerned with improving the performance of the network [e.g.] sharing best practices”
- Tensions:
 - Knowledge sharing vs. loss of competitive advantage
 - Power struggles regarding ownership and decisions regarding direction of work.

HRM Models in a networked context

(Swart & Kinnie, 2014)

- Models discuss “...how HRM practices are used to manage networked tensions identified earlier”
- Models:
 - Buffering the network
 - Borrowing from the network
 - Balancing the network

Buffering the network: Human Capital Agility (Flexible resourcing model) (Swart & Kinnie, 2014)

- “HRM practices exist at the level of the firm.
- “Firms [...] retain flexibility to respond to changing network demands while anchoring knowledge and specialist skills within the organizational boundaries”
- “Achieved by linking HRM systems to organizational values, which illustrates awareness of the intensity of the opportunities to join a collaborator or a client in a cross-boundary setting”
- “Relationships are described as the most important criteria for staff allocation to teams”
- Focus on “...development of a broad range of skills”
- “Performance management & reward systems are linked with cultural and strategic objectives that strengthen commitment to the organization”

Borrowing from the network: Leveraging complementarity (Swart & Kinnie, 2014)

- “HRM practices exist at the level of the firm with some practices, such as resourcing, emergent at the level of the network”
- “Focus on the development of complementary skills, which will benefit the network while leveraging the learning to benefit the individual & the firm.”
- Complex internal resourcing process due to continuous “tensions between pursuing a deep expertise approach which involves keeping project teams together over long periods, & providing employees with new opportunities for challenging work.”
- “Development is focused on deepening professional skills that enable future business winning.”
- “High degree of involvement [of employees] in networked activities.”
- Sustenance of network depends upon “relationship building & opportunities for involvement”

Balancing the network: Multidimensional agility

(Swart & Kinnie, 2014)

- “Portfolio of HRM practices exists at the level of the network & within the firm”
- “Balance between strong social relationships & network level processes”
- Talent management – one of the primary goals in sharing of best practices
- “Performance management practices are generally established at the level of the network with efficiency targets set for each firm and performance measured weekly.”
- Result:
 - “Generation of flexible human capital, which can be effectively deployed across the network as well as within the individual firms.”
 - “Cost saving & [...] further networked ways of working”