
Tracquilister Shangahaidonhi
Department of Human Resource Management
Midlands State University P. Bag 9055, Gweru, Zimbabwe
Abstract

The research explored the concept of HR Bundling and sought to analyze whether HR bundling is key to the achievement of competitive advantage. This study therefore sought established the significance of the HR bundling concept in gaining a competitive edge over rivals in the telecommunications industry. The research was qualitative in nature and used the case study design. An in-depth interview and questionnaires were used to gather primary data on the efficacy of HR bundling. The sample size used in the study was 30. The major findings of the research indicated that Econet Wireless is bundling its HR practices, but was unaware that what they were doing is termed HR bundling. The research established that HR bundling is imperative in achieving the business goals and in turn a competitive edge over rivals, since it is difficult to copy or imitate what has been bundled. The research also compared bundles versus their individual components to find out if bundles are more effective in achieving organizational goals than the individual HR practices composed in them. It was concluded that, firms which strive for excellence, sustainable competitive advantage, superiority and supremacy should bundle together complementary HRM practices as this helps create situations where more is different and inimitable. Bundling therefore shows reinforcing, overlapping and synergizing HR practices which help to establish organizational effectiveness and employee involvement.

Key Words: Efficacy, human resource practices, human resource bundling, competitive advantage

1. Introduction

Human resource practices are said to be bundled when they occur in fairly complete, mutually reinforcing or synergistic sets which are independent. A comprehensive and coherent approach to the provision of mutually supportive employment policies and practices is adopted through the development of integrated Human Resource (HR) policies and practices which are configured or bundles, Armstrong (2001). Bundling is the idea that practices within bundles are interrelated and internally consistent, and that ‘more is better’ with respect to the impact on performance, because of the overlapping and mutually reinforcing effect of multiple practices. Dyer and Reeves (1995) define HR strategies as, “internally consistent bundles of human resource strategies”. The logic of bundling is that since employee performance is a function of both ability and motivation, it makes sense to have combined practices (bundles) aimed at both. Bundling therefore entails making HR systems or strategies become one so that they can solve more than one problem. Barney (1991) in Armstrong (2001) contends that, sustained competitive advantage stems from the acquisition and effective use of bundles of distinctive resources that competitors cannot imitate. Through bundling or configuration a horizontal fit can be achieved. If a deliberate attempt to bundle is made, this process will be driven by needs and characteristics of the business. It is necessary to create synergy by looking for ways in which one practice can support another practice and to identify common requirements which can be met by initiatives in different
areas of HR practice as long as they are deliberately linked. Firms are now bundling because of recent changes in the firm’s competitive environments which have increased the degree to which human capital will be a source of valuable and inimitable competitive advantage.

Strategic human resource management engenders organizational success by enhancing a firm’s ability to acquire, develop, utilize and retain employees with high competence levels relevant to firm activities. Bundling has its roots in Strategic HRM. Bundles are therefore classified under the configuration approach to strategic HRM which is consistent with the long held view that employee performance is determined by a number of factors such as motivation and ability. Richardson and Thompson (1999) identified bundling as an approach to the development of HR strategies. It focuses on the search for distinctive configurations/arrangements of joined up HR practices or high performance work practices, which when combined together will function more effectively than if they existed as unrelated entities.

The origins of HR bundling can be traced back to the USA and the famous MIT sponsored study of the world automotive industry undertaken in the late 1980s, the international vehicle project. The study was highly influential in describing the success of Japanese car manufacturers against the North American and European rivals. The topology developed by Belanger et al (1995) underlies an important aspect of HR practices, which is that, these practices need to be implemented together as bundles of practice in order to gain maximum effect. Many organizations may implement one or two HR practices, but it is the synergies that result from bundles of practice that really lead to performance improvement for organizations.

An example of a bundle which has enhanced organizational effectiveness is derived from an investigation of the working practices of 139 UK companies which revealed that, productivity may be up to 8% in firms which bundled together the following HR practices such as communication, team working, flexibility, skills training, job security and incentive pay. Linking activities together can help to ensure that developments in one area can achieve improvements in others. By bundling or grouping these HR practices as follows;

{Communication --- team working --- job security --- skills training --- flexibility --- incentive pay}

This would result in organizational effectiveness and an achievement of competitive advantage. When communication is linked to team working it builds a strong team which shares ideas. Providing job security would ensure that employees are stable and feel that they belong to the organization. With a stable mind, employees are willing to learn through various training and development programmes to acquire new knowledge. A well trained workforce is flexible, proactive, and innovative and adapts to the turbulent environment. Through multi skilling employees become more generalists than specialists. Linking training
and flexibility to incentive pay would assist in the reinforcement of desirable behavior and results in the motivation and retention of skilled personnel.

Theoretically bundling should promote organizational effectiveness, at a minimum bundles should produce greater performance effects than any of the individual HR practices of which they are composed, but it is unlikely that all bundles are created equal, that is some types should produce greater performance effects than others for instance, commitment, motivation, control, skills development and empowerment bundles are different and have different effects on organizational effectiveness.

EconetWireless is the largest telecommunications provider in Zimbabwe and the leading mobile operator. It is a private enterprise owned by Strive Masiyiwa. In July 1998, in a victory over much adversity, the first call on Zimbabwe’s Econet Wireless was made. Within weeks of that first call, over 10 000 Zimbabweans were making calls on Econet. It has increased its market share to 73, 3% from 61% in 2008. Statistics from the Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ) indicate that as of Jan 2011, Econet subscriber base had increased to 3, 5 million from about 2 million. It was later established in neighboring Botswana and then established presence in over 15 countries, including other African nations, New Zealand and the United Kingdom (UK). The company also diversified into satellite communications, fixed line telephone services and internet services. Econet has also become the first foreign operator to enter UK’s communications markets and also operates in East, South, and West Africa. The firm has entered the UK mobile virtual operators (MVNO) after signing an agreement with mobile firm Orange, (CA News, Wednesday 4 August 2010). Econet has strong brand recognition among Africans in the Diaspora. It has developed unique services for its Diaspora customers including low cost calls for their home countries and also insurance and money transfer. In 2009, Econet became the first Zimbabwean operator to offer 3G services. This firm has a broad strategy for social and community development called “Econet in the community” through which they run a diverse range of charitable activities. Their Capernaum Trust supports 30 000 orphaned children, making the largest private welfare programme in the country. Econet in 2010 launched a call me back service, Econet broadband an internet service and is in the process of introducing Econet mail, the combo, integrated voice and data bundles to keep customers connected anytime, anywhere and anyhow, (Sunday mail 20 February 2011).

Econet wireless is facing challenges in the mobile communications industry. Since the firm has entered the global telecommunications market it is facing stiff competition from local firms such as Telecel and Net-One and other players such as Vodafon, Vodacom, Virgin mobile MTN, CellC etcetera. Econet therefore needs to upgrade its system to maintain customer loyalty. The Postal Telecommunications Regulatory has criticized
the network operators in an article by Chiriga in the Zimbabwe Independent, the existing network operators are said to have weak competition in terms of price, quality, product differentiation and innovation. Lack of innovation has marked the oligopoly’s market structure. These firms in the telecommunication industry have stopped thinking outside the box through benchmarking. Similar strategies among firms lead to strategic convergence through copying or imitating each other’s strategic plans. If a firm has not bundled its HR strategies or practices, it is easy to pick the strategies or practices being used, thus an organization can be imitated and lose its competitive advantage. It is through these problems that the researcher proposes that Econet Wireless adopts HR bundling to full capacity.

The main objective of the research is to assess the impact of HR bundling on competitive advantage. The specific objectives are to establish the significance of HR bundling in enhancing competitive advantage, to establish how HR practices can be put together in complementary bundles to suit differing organizational goals and structures and to compare bundles versus their individual components in achieving the firm’s bottom line and a competitive edge over rivals.

HR bundles fall under the configuration approach to development of HR policies and strategies as defined by Richardson and Thompson (1999). Configuration is a holistic approach which came up with bundling and emphasizes the importance of strategic HRM to be vertically or horizontally compatible. This approach indicates that, there are synergistic effects between HR practices and strategy that are crucial for enhanced performance or strategic HRM. Configuration is a combination of shapes or practices that are mutually reinforcing and it is all encompassing for instance, (training linked to performance and reward) to enhance productivity and total quality management.

2. Conceptualizing HRM Bundling

Systems theorists, (Anderson 1972, Pregogine 1978) have provided useful insights into the processes through which various components of a system combine to create effects that exceed those of their constituents. Corning (1998) suggested that, synergy, which refers to the pooled operation of various elements of a system, produces positive effects because of larger combined effects created by the accumulation of smaller complementary effects, and increased efficiencies created through risk sharing among the elements of a system. The accumulation of the actions of various elements can create combined effects larger than what can be expected when these elements operate in isolation (Rock and Palmer 1990). The cumulative effects of various HRM practices affecting the same work characteristics for instance, staffing and training affecting workforce skill can create a net result that exceeds the effect of a single practice. When the components make different and of non-conflicting routes they become more effective, for example, although performance
appraisals help employees in setting performance goals and detecting discrepancies between expected and actual performance, compensation systems provide the rewards necessary to motivate and reinforce performance. Thus neither compensation systems nor performance appraisal processes are complete without the other. Together they motivate the workforce thus HRM bundles consist of different practices cooperating to influence on various measures of firm performance. Below are examples of bundles and their components.

2.1 The Content Of HRM Bundles

_Empowerment- Enhancement bundles_

- Employee involvement in influencing work processes\outcomes
- Formal grievance procedure and complaint resolution systems
- Job enrichment (skill flexibility, job variety, responsibility
- Self-managed or autonomous work groups
- Employee participation in decision making
- Systems to encourage feedback from employees

_Motivation-Enhancing bundles_

- Formal performance appraisal process
- Incentive plans (bonuses, profit sharing, gain sharing)
- Linking pay to performance
- Opportunities for internal career mobility and promotions
- Health care and other employee benefits

_Skills-Enhancing bundles_

- Job description/requirements generated through job analysis
- Job based skills training
- Recruiting to ensure availability of large applicant pools
- Structured and validated tools/procedures for personnel selection

_Control- enhancing bundles_

- Individual pay linked to job evaluation
- Top down and hierarchical
- Adversarial labor relations
- Emphasis on management symbols

_Commitment-enhancing bundles_

- Focused on teamwork
- Pay linked to skills and mastery
• Assurance that participation will not result in job loses
• Mutuality with joint planning and problem solving.

The research is beneficial to the researcher because HR bundling is still a mystery in Zimbabwe but the concept emerged in the 1980s. The research is therefore an eye opener to firms that are still implementing HR practices as individual components and not as bundles. HR bundling is a concept which is clouded with darkness hence this research will shed light on how firms will achieve competitive advantage through HR bundling. The researcher had the opportunity to get into the field and found out that the concept is really applicable and useful to the modern day organizations of Zimbabwe in the telecommunications industry. This research will also benefit the academic arena. The findings, recommendations and conclusions will provide a platform or reference point for other researchers to develop better approaches to the research.

The research benefits firms in the Telecommunication industry in improving productivity, performance and quality service which requires substantial changes in a set of HRM practices. Linking specific HR related systems, practices or programs within the HR department should be a combination of activities that operate in composite form. Combining these HR practices would attack the root cause of a problem with a composite force and this composite force becomes a bundle which is tied together such that it becomes unbreakable, thus enhancing organizational effectiveness and competitive advantage in a turbulent environment.

This research will assist HR practitioners to become strategic partners as they can come up with effective HR bundles that will achieve the business strategy. HR bundling can solve more than one problem for instance a bundle on workforce development aimed at increasing productivity can also result in increased profits, improved market share and can contribute to employee motivation, thus “killing two birds with one stone”. The organization can therefore deal with more than one problem by implementing a single program. The philosophy behind HR bundling is to improve organizational effectiveness, hence the benefits of synergy. One type of HR practice may be resisted by individuals, but when these practices are combined employees or clients would accept thus benefiting the employees as well.

Through HR bundling HR practitioners are trying to camouflage or hide the pain of efficacy of one HR practice thus smothering tension. Bundling is difficult to replicate or imitate from other companies, in this case it makes the organization unique. If a firm hasn’t bundled, it’s easy to pick, but when they have bundled, it becomes multiple HR practices which cannot be easily imitated. Clients would also benefit because of quality services. Bundles should produce greater effects than any individual HR practices in which they are composed.
3. Materials And Methods

The research is purely qualitative in nature, thus it will mainly be based on constructivism and interpretivism by emphasizing the issue of how meanings are created by people on the efficacy of HR bundling and how they interpret them in terms of how these bundles would lead to outwitting rivals. The research is a case study which according to Bryman (1993:43), is a strategy for doing research that involves doing investigation for a particular contemporary incident within its real life context using multiple sources of evidence. A case study was preferred because of the advantages aligned to it that, case studies can be used to generate new hypothesis that can then be tested against other data in later studies. Furthermore it can provide a systematic way of looking at events, collecting data, analyzing information and reporting the results. The study employs both primary and secondary data. The research instruments used to collect primary data include the in-depth interview and questionnaire. The semi-structured interview was designed to encourage the interviewee to provide extensive and developmental answers. These are repeated face to face encounters between the researcher and the informant, directed at understanding the informant’s perspectives and experiences. Interviews provide an opportunity for probing and the researcher was also able to note non-verbal expressions through facial expressions and gestures.

Questionnaires allowed the subjects to answer questions without direct influence from the researcher. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from employees, Punch (1998). The questionnaire was used on non-managerial staff to get information on how they view the concept of HR bundling and its effectiveness. The questionnaire is flexible in its measurement; it is also inexpensive to gather data particularly for a large number of people. “Interviews are effective tools to be used to collect information regarding a sample’s characters, experiences and opinions”, Gal Borg (1996:21). In the research, semi-structured interviews were used for managerial employees. Semi-structured interview is a method of research used in social sciences which is flexible, allowing new questions to be brought up during the interview (Punch 1998). Semi-structured interviews have the advantage of keeping personal details of respondents confidential.

At Econet the sampling frame (total staff complement) is 816 employees. Respondents constituted the total sample size of 30. Twenty respondents were drawn from non-managerial employees to whom questionnaires were administered, and 10 managerial employees were selected for the purpose of an in-depth interview. The researcher used stratified random sampling whereby respondents were divided into two strata (managerial and non-managerial employees). At Econet 3, 70 % of the total population under study was divided into homogenous groups by using gender, age, and departments. Simple random sampling was then used to select participants from each stratum. In presenting and analyzing data the Miles and Huberman approach was used.
This approach involved data reduction, data display as well as drawing and verification of conclusions. In the early stages data reduction occurred through editing, segmenting and summarizing data. The data was then displayed through charts, graphs and tables so as to understand it better. In the middle stages it happened through coding (codes are tags, names or labels). Memoing is the theorizing write up of ideas about codes and their relationships as they strike the analyst while coding. Thematic analysis was used in analyzing data as it focuses on identifying themes after collecting data. Conclusions were drawn from what had been classified.

4. Results And Discussions

Data presentation is premised on the responses obtained from semi structured interviews and questionnaires. The research focused on linking data to the research topic as well as the objectives of the research. It also examined the importance of HR bundling at the firm under study.

The response rate at Econet was 86.67%. At Econet Wireless, 20 questionnaires were administered to non-managerial employees and 10 managerial employees were interviewed. The response rate was 86.67% because 26 out of 30 subjects responded. It has to be noted that the interviews conducted had a 100% response rate. It is on the non-managerial employees’ side where some decided not to fill in the questionnaires.

The demographic characteristics of the sample under study were as follows; from a sample size of thirty, 18 subjects were male and 12 subjects were females, two employees were between the age of (20-25years), 6 respondents are between the ages of (26-31years), 10 respondents were between (38-43years) and 5 subjects are between the ages of (44-49). This shows that the sample understudy is neither too young nor too old. In addition, 5 employees have stayed at the organisation for less than a year. 7 employees are between 1-5 years in their length of service, 16 employees have a length of service of between 11-15 years and 2 have a length of service of between 15-20years. Those who had worked for the organizations for more than 5 years contributed useful information as they knew a lot about the firm. At the firm the sample under study was highly educated; most subjects had diplomas, honors and masters degrees.

The study additionally provides evidence for the efficacy of more compact bundles consisting of practices aimed at enhancing specific workforce characteristics that is, employee motivation, skills levels etcetera.

From the research most respondents agreed that HR bundling is of great significance to the organisation because it brings forth so many benefits to the firm. The HR staff highlighted that, HR bundling, that is horizontally integrating the HR practices leads to improved employee performance and an increase in productivity and profits. Managerial employees in other departments such as marketing cited improved
quality service hence customer loyalty. HR staff also cited reduced absenteeism and turnover. Another respondent highlighted higher returns to shareholders. Above all, all these benefits derived from bundling HR practices would lead to an organisation that is better than the next organisation, thus competitive advantage. Thirty-five percent of the subjects perceive HR bundling to improve employee performance than quality service, increased productivity, profits etcetera.

The majority of the subjects (95%) mentioned that, bundling brings positive results to the organisation because it results in cost effectiveness, motivation and retention of employees especially the motivation bundles hence eliminating the costs of recruitment and selection. One respondent said that, HR bundling has a positive impact because it brings effectiveness and efficiency in that, all systems work hand in hand eliminating conflict and rigidity. HR bundling is also said to align HR objectives within its sub divisions, and leads to the achievement of the bottom line. The minority (5%) of the respondents cited that HR bundling has a negative impact because it becomes complicated as bundles overlap. In addition the skills enhancement bundle was criticized for making employees more marketable, hence if they acquired more skills they would be in a better position to seek for greener pastures elsewhere, hence firms will lose their competent staff.

From the data gathered, it can be seen that Econet is actually bundling HR practices. The motivation, skills enhancement, commitment and resourcing bundles are being implemented. The empowerment bundle is not applicable. Econet is the one implementing the control and innovation bundles. These bundles are there to achieve the business strategy. Different HR practices can be used to create a bundle depending on the firm’s business strategy, for instance, the HR practices that constitute the motivation bundle at Econet are different from those in other firms due to the organizational strategy, or what the enterprise wants to achieve. One respondent from the HR staff at Econet highlighted that,” for HRM practices to impact positively on performance, there must be a particular fit between a firm’s HR practices and the firm’s competitive strategy.”

5. Bundles Versus Their Individual Components

In comparing bundles versus their individual components, the majority of the respondents proposed that, HR bundling brings more effective business results than implementing HR practices in isolation. They highlighted that HR bundling to a larger extent leads to gaining competitive advantage since the HR practices are linked or interrelated.

When asked whether HR bundling leads to the achievement of competitive advantage, respondents cited that, it leads to improved performance, quality service, an increase in productivity and profits, customer loyalty and hence competitive advantage. From the research HR bundling is of great significance to the firm because
the aim of bundling is to achieve high performance through coherence. Coherence exists when a mutually reinforcing set of HR policies and practices have been developed that jointly contribute to the attainment of the organisation’s strategies for matching resources to organizational needs, improving performance, quality and achieving competitive advantage.

The process of bundling HR strategies is an important aspect of the concept of strategic HRM. In some sense HRM is holistic; it is concerned with the organisation as a total system or entity and addresses what needs to be done across the organisation as a whole. It is not interested in isolated programmes and techniques, or in the ad hoc development of HR practices. Work systems and employment models that are seen as supportive of high performance imply the mix of key practices; more rigorous selection and better training systems to increase ability levels, more comprehensive incentives (such as employee bonuses and internal career ladders) to enhance motivation and participative structures (such as self-managing teams and quality circles) that improve opportunity to contribute. While there is significant debate about the particular mix of high performance work practices, one of the key arguments running through the literature is that the relevant practices work much better when bundled together, (Inchniowski et al 1996).

Through HR bundling it becomes difficult for the organization’s HR strategies to be imitated or copied since HR practices are grouped or mixed together making it difficult to pick the practices. HR bundling leads to improved performance at the workplace. If performance is improved this paves way for increased productivity and profits, quality service, customer loyalty hence an increase in the market share and higher returns to shareholder value. Motivation bundles can also lead to the retention of skilled personnel hence they can stay longer in the organization. Skills enhancement bundles also create a knowledgeable or learning organisation which is always proactive and adapts to the turbulent external environment. HR bundling does not only lead to organizational excellence but to organizational superiority and supremacy.

Through the implementation of various HR bundles employees become motivated, committed and loyal to the organisation. Motivation bundles reduce absenteeism and labor turnover because employees are satisfied with their work. Since a happy worker is a productive worker; this therefore leads to increased performance, productivity and profits. Commitment bundles lead to employee engagement; employees are enthusiastic and are willing to go an extra mile for the organisation. Skills enhancement bundles lead to a multi skilled workforce who is creative and innovative and provide unique and quality products and services. Employees therefore enjoy doing challenging work thus boosting their morale. Employees dislike repetitive and routine tasks that are monotonous and lead to boredom. Motivation bundles retain employees. Through quality services the organisation can increase its market share and also gain customer loyalty.
HR Bundling allows the HR profession to be viewed as a more strategic partner that deals with major activities rather minor issues. The role of HR is no longer viewed as that of being administrative but to that of being architectures, decision makers and strategic thinkers. This therefore allows HR practitioners to sit at the top table when making decisions on how bundles can be created. Instead of being seen as clerical people, HR practitioners would be given an upper hand and therefore uplifting the status of the profession. The role of HR will no longer be seen as a peripheral function, but a critical function that adds value and leads to the attainment of organizational goals.

Most SHRM scholars agree that systems or bundles of HRM practices are required for organizations to achieve sustained performance results. HRM practice bundles include generally complete sets of mutually reinforcing or synergistic practice. SHRM scholars have argued that systems of HRM practices are more likely to drive sustainable outcomes than are individual practices. Dyer and Reeves (1995) argued that, employee performance is likely to be greatest when its two components, ability and motivation, are influenced in multiple redundant ways. Specifically, the authors suggested that performance is likely to be maximized when several reinforcing practices such as rigorous selection mechanisms and ample training opportunities elicit required employee skills, and many incentives such as peer pressure to perform and monetary and non-monetary rewards increase motivation.

Becker et al (1997) argued that HRM practices operate most directly through employee skills, motivation and work design resulting in behavioral outcomes such as creativity, productivity and discretionary effort, which are expected to work through operational and eventually through financial outcomes.  

Motivation enhancing bundles positively influence commitment and result in motivational outcomes. Consistent with the perceived organizational support arguments, incentives and other rewards for performance practices signal a positive valuation of employee efforts thus increasing reciprocal commitment. According to Kleins (1987) extrinsic satisfaction model suggests that financial rewards designed to increase commitment to work outcomes align employee interests with the organisation resulting in greater commitment to the organisation.

Empowerment enhancing bundles have a positive impact on organizational commitment and also affect motivation and continuance outcomes. Organizations that allow employee input into decisions, share information and treat employees with respect, strengthen shared perceptions of congruence between the employees and organizational values, integrate employees into the life of the firm and increase employee identification with the firm thus enhancing commitment. In addition, the teamwork and social interactions
inherent in empowering HR practices simultaneously create a sense of community, thus strengthening the forces of social cohesion among group members and thus the commitment to the organisation.

Skills enhancing bundles also have a positive impact on the organisation. Training investments increase employee perceptions that the organisation values their current and future contributions and thus their level of commitment. They allow skills acquisition hence employees become more creative, innovative and confident in performing their work.

Control bundles also have a positive impact to the firm. They ensure that there is cost efficiency through the full utilization of resources at the organisation. Control bundles focus on the individuals, whereby individual pay is linked to job evaluation. In addition they ensure that the financial status of the firm is enhanced since there is control so as to manage costs.

Commitment bundles are also important as they impact positively on the firm. Through this commitment bundle employees are focused on teams so that they work together in achieving certain projects and receive incentives upon accomplishment of these projects. Pay is also linked to skills and mastery and employees receive welfare benefits which goes way beyond motivational benefits, so that employees feel valued such that they will be willing to go an extra mile for the organization.

6. Bundles Versus Their Individual Components

Bundles should lead to greater performance or productivity (organizational effectiveness) than any of the individual human resource practices. In a skills enhancement bundle, one can combine individual HR practices such as performance management, reward, training; if these HR policies and practices are horizontally integrated (performance management, reward and training) they would have been bundled. Bundling can be regarded as a process, that is, it becomes a continuous process throughout the life of the organization as long as the organization survives and can also be by purpose or goal, for instance a bundle on motivation should result in a decline in absenteeism and labor turnover, and increase employee and customer satisfaction.

The problem with bundling is to decide which is the best way to bundle related different HR practices, since there is no evidence that one bundle is better than another. Kochan and Barocci (1985) suggest that different types of HR strategy are relevant to different stages in an organization life cycle. In the employee development area, again, a different set of practices would be needed when an organization had achieved “maturity” from where it was in a startup or growth stage. HR bundling can therefore impact negatively on
the organisation if they do not bundle their HR practices properly in relation to the stage of the organisation in its life cycle.

Moreover skills enhancement bundles can pose a negative impact to the organisation because as employees are trained and developed, they become more marketable and can leave the organisation in search for greener pastures. HR bundling is also complicated, as HR practices are linked together, they tend to overlap into other bundles hence it becomes difficult to identify the most powerful bundle in bringing competitive advantage as individual HR practices can be applicable in more than one bundle.

Econet Wireless was selected for an in depth analysis on how they bundle HR policies and practices to achieve competitive advantage. Some of the HR practitioners were unaware of the term “bundling”, but bundling is actually taking place at these two organizations. At Econet Wireless bundling is being done to a greater extent although they need to be concertized on how to create more bundles besides the ones they are implementing.

Econet Wireless has a Focus organizational strategy, this means it focuses on both differentiation of its products and cost cutting. The competitive business strategy at this company prescribes the type of HR strategies that have to be implemented in order to achieve the business strategy. There should be a tight fit between the business strategy and the HR strategy so as to outplace the competitors.

Econet aims to provide quality services hence the motto, “inspired to change your world”. In its motivation bundle, (performance management, reward and motivation, industrial relations) are grouped, by so doing the HR practices and policies have been bundled. Rewards are linked to performance for both managerial and non-managerial staff. To motivate its workforce the firm offers employees loans payable at no or lowest interest rates. They also want to offer housing for all employees as a motivation tool. The HR practitioner therefore highlighted that, this strategy motivates employees but the problem is that, some fringe benefits target managerial employees only so as to retain them.

As a skills enhancement bundle (human resource planning, training and development, performance management, reward, career management and succession planning) constitute a bundle. In this bundle training is linked to performance and performance to rewards. Training is coordinated at head office level by the Head HR and development manager, workers at unit level are appraised and skills deficiencies are identified. A training needs analysis is conducted. Technicians for example are engaged in in-house development and managers are sent for management development programs off the job. There is Information
Technology training, Oracle training for efficiency, technical training, product training for innovation and commercial training to improve on customer services. This encourages personal growth of the individuals. The organization uses the knowledge based strategy where employees are rewarded according to their skills. This also leads to motivation of employees as their efforts are recognized. Skills acquisition creates innovative employees and also improves their performance; hence it results in achieving the bottom line and in turn gaining a competitive advantage over rivals.

As a **commitment bundle** (*recognition, reward, performance management, discipline motivation, welfare policies and practices are bundled together*), Econet conducts a staff event, conducted on a yearly basis, the worker of the year is chosen, and this is whereby the organization recognizes the outstanding performance. The individual is chosen by different Heads of Department, and is given an incentive. They also give length of service awards whereby employees who stay longer in the firm are given money or a holiday with their family as an award. This leads to a motivated and committed workforce willing to go an extra mile in serving the organization and achieving organizational goals. Long service awards are given to employees after serving the organization for a specific period of time.

In its **resourcing bundle** (*HRP, Recruitment and Selection and training and development and reward*) HR practices are bundled. The organization determines its HR needs both in terms of numbers and skills. Each and every department supplies information in terms of human resources quantitatively and qualitatively. Basically in terms of organizational effectiveness the HR manager highlighted that, bundling HR practices and policies in the telecommunication industry leads to improved employee performance and quality services and in turn increased productivity, market share and profits. Econet experiences organizational effectiveness more in the form of quality service than productivity. Therefore organizational effectiveness in terms of productivity is attributable to other factors than HR bundling.

As part of its **control bundle**, (*reward, job evaluation, HRP, industrial relations*) are grouped together. This bundle focuses on individuals. Pay is linked to job evaluation so as to minimize unnecessary costs, employees are viewed as a variable cost, but however this control bundle is implemented to a certain level of employees who are non-managerial for instance, the semi-skilled and the unskilled employees.

The HR and development manager at Econet highlighted that, the firm bundles its HR practices to a greater extent, and this leads significantly to maintaining competitive advantage over rivals. The compensation and benefits manager cited that, “bundling is more effective since the whole is greater than the sum of its parts”.

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However other factors also contribute to competitive advantage, for instance, a culture of innovation and speed, innovativeness and pioneering.

When comparing bundles versus their individual components, systems of HRM policies have greater productivity effects than the sum of any. There are effects due to individual practices and concerning change, that marginal changes in individual policies have little or no effect on organizational effectiveness (productivity, quality, and performance etcetera). At Econet, the use of individual HRM policies and practices to a lesser extent results in increased productivity, quality service and increased performance. Improving productivity requires substantial changes in a set of HRM policies. Linking specific HR related systems, practices or programs within the HR department should be a combination of activities that operate in composite form. Combining these HR practices would attack the root cause of a problem with a composite force and this composite force becomes a bundle which is tied together such that it becomes unbreakable, thus enhancing organizational effectiveness. HR bundling can solve more than one problem for instance; a skills enhancement bundle aimed at increasing productivity can also result in increased profits, improved performance and contributes to employee motivation, thus “killing two birds with one stone”. The organization therefore deals with more than one problem with one bundle.

The idea is that productivity is best served by the systematic interactions among these practices. Adding only one of the practices is likely to have little or no effect on performance. It is possible for a firm to adopt a number of HRM practices and obtain a high score on a typical scale, but it is simultaneously possible for these practices not to be aligned with each other, for instance, the compensation system might be appropriate for individuals, while the appraisal system might focus more on group output.

It is possible that smaller HRM bundles focused on enhancing specific workforce characteristics might have some actual advantages over multiple practices aimed at improving all characteristics, (Cappelli and Neumau 2001). Synergistic bundles of HRM practice are likely to be positively correlated with specific business outcomes, and these correlations are likely to be strong or stronger for HRM bundles than for individual HR practices.

The findings from the research suggest that the firm can benefit from the adoption of individual HR practices, even if they are few, as long as these practices also are complementary, thus instead of simply increasing the number of HRM practices, that is making HRM systems more comprehensive, Econet Wireless should not adopt multiple practices. It is not enough for workers to be empowered, they also need to be provided with both sufficient training to have the capacity to perform and pay to stay motivated. It can be argued that,
instead of ensuring that several HR practices are simultaneously present or introduced together firms might benefit from adopting a smaller number of complementary practices and then build synergies among them.

7. Recommendations

The HR practitioners at Econet Wireless have a knack to create and implement HR bundling at full capacity. In fully adopting this concept, there are however problems along the way that may impede the creation and implementation of these HR bundles. In light of the negative impact of HR bundling on performance and productivity, the researcher therefore proposes the following recommendations to Top management, HR department and to the employees of both firms.

- Top management should be in a position to support HR bundling. There is need for top management to display a positive attitude towards activities that bring a competitive edge for the organisation. The MD should appreciate the importance and benefits of HR bundling and make it top priority in the firm.

- Top management should integrate the human resource function into a business performance measurement system. Managers must identify the points of intersection between human resource and organizational strategy implementation plan that is, to align the firm’s strategy or goals with employee performance. Management should also value human resource as a strategic resource that determines the success and failure of the business. They should also not forget customer satisfaction when it comes to strategies that define business success.

- Management should ensure that qualified HR personnel are available in the organisation at all times. These should have the knowledge of integrating HR policies and strategies to the overall business strategy to ensure effective performance. Through this, HR bundling can therefore be used as a strategic tool in the achievement of the business strategy.

- HR managers and employees should be provided with adequate resources to ensure effective task execution. Lack of financial resources hinders HR bundling especially the motivation and skills enhancement bundles which require funds to incentivize and to train and develop employees respectively. Lack of resources especially financial resources hinders effective performance as well as negates employee morale and productivity.

- Management should in turn encourage employee participation in decision making because in this postmodern era, there are now knowledge workers who can contribute meaningful ideas on how HR
practices can be bundled to achieve competitive advantage. This also leads to a motivated and enthusiastic workforce since employees will implement those objectives they would have contributed in setting.

- Effective training results in more productive workers and in job and personal satisfaction. There should be regular training lectures, seminars and workshops to concertize HR staff on HR bundling so that they can implement this concept at full capacity. HR managers should also be trained on how to create and implement HR bundles that enhance organizational effectiveness and to avoid the firefighting approach in doing business.

- HR practitioners should have a bigger picture of a wide range of bundles that they can implement in the organisation to become more competitive. See annexure 1 which shows a wide range of HR bundles borrowed from European firms that can be implemented at the workplace. Before the implementation of these bundles they should choose bundles appropriate to the culture, processes and context of the firm.

- HR managers should work together with line managers who are the immediate supervisors of employees in a quest to keep the workforce satisfied to increase performance and productivity. HR managers should devolve some of the menial HR tasks which are administrative in nature for instance approving for leave, so that they dedicate their time to more strategic issues and HR bundling being one of them. This adds value and status to the HR profession as they become strategic partners in their enterprises.

- Employees should develop a willingness to learn new things and should not resist new ideas. Special training programmes on HR bundling should be administered to employees so that they know about the concept and will be in a position to contribute vital information on the creation and alterations of HR bundles to improve their performance and in turn the bottom line.

8. Conclusion

This study highlighted the value of investing in bundles of complementary HRM practice. The study suggests that bundling together complementary HRM practices can help create situations where more is different. Firms should therefore bundle their HR practices since they are designed to elicit employee commitment and involvement such that employees become a source of sustainable competitive advantage. Lawler (1992), Levine (1995) and Pfeffer (1998) contend that, workers must be given the opportunity and responsibility for organizational change and improvement. They must be motivated to avail themselves to this opportunity and responsibility. Workers must also have the knowledge and skills enabling them to contribute to workplace
improvement. Bundling therefore shows reinforcing, overlapping and synergistic HR practices which help to establish these preconditions and employee involvement. Practices such as rigorous selection procedures, internal merit-based promotions, grievance procedures, cross-functional teams, high levels of training, information sharing, participatory mechanisms, group based rewards and skill-based pay can be bundled to achieve competitive advantage. Recent strategic literature has also discussed the importance of achieving a fit between firms’ set of HR practices and contextual features, most notably organizational strategy and making those HR systems become one.

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Annexure 1


**Factor loadings**

1. **Training Bundle**
   - Analyze employee training needs
   - Eigen value after rotation:
   - Monitor effectiveness of training
   - Variance explained
   - Evaluate training through learning
   - Evaluate training through behaviors
   - Evaluate training through results
   - Evaluate training through reactions

2. **Share-Options Bundle**
   - Offer employee share options for management
   - Eigen value after rotation:
   - Offer employee share options for professional staff
   - Variance explained
   - Offer employee share options for clerical staff
   - Offer employee share options for manual staff

3. **Evaluation of HR Bundle**
   - Performance of HR dept. evaluated on a systematic basis
   - Eigen value after rotation:
   - Views of top management taken into account for evaluation
   - Variance explained
   - Views of line management taken into account for evaluation
   - Employee views taken into account for evaluation
   - Human resource managers’ views taken into account for evaluation

4. **Profit-Sharing Bundle**
   - Offer profit sharing options for management
   - Eigen value after rotation
   - Offer profit sharing options for professional staff
   - Variance explained
   - Offer profit sharing options for clerical staff
   - Offer profit sharing options for manual staff

5. **Group-Bonus Bundle**
   - Offer group bonus for management
   - Eigen value after rotation:
   - Offer group bonus for professional staff
   - Variance explained
Offer group bonus for clerical staff
Offer group bonus for manual staff

6. Performance-related Pay Bundle
Performance-related pay for management
Eigen value after rotation:
Performance-related pay for professional staff
Variance explained
Performance-related pay for clerical staff
Performance-related pay for manual staff

7. Joint HR-Management Bundle
Responsibility is joint between HR and line management for:
Eigen value after rotation
Compensation and benefits
Variance explained
Recruitment and selection
Training and development
Industrial relations
Staff reduction/expansion

8. Communications on Strategy Bundle
Professional staff briefed about strategy
Eigen value after rotation
Clerical staff briefed about strategy
Variance explained
Manual staff briefed about strategy

9. Communication on Finance Bundle
Professional staff briefed about finance
Eigen value after rotation
Clerical staff briefed about finance
Variance explained
Manual staff briefed about strategy finance

10. Communication on Change Bundle
Communication through team briefings
Eigen value after rotation
Employee ideas communicated directly to senior management
Variance explained
Employee ideas communicated through the immediate supervisor
Employee ideas communicated through workforce meetings
Employee ideas communicated through the use of team briefings

11. Communication on Organization of Work Bundle
Professional staff briefed about organization of work
Clerical staff briefed about organization of work
Eigen value after rotation:
Manual staff briefed about strategy organization of work
Variance explained

12. Career Bundle
Regularly use formal career plans
Eigen value after rotation
Regularly use succession plans
Variance explained
Regularly use planned job rotation
Regularly use high flier schemes
Regularly use international experience schemes

13. Wider-Jobs Bundle
Jobs made wider for management
Eigen value after rotation
Jobs made wider for professional staff
Variance explained
Jobs made wider for clerical staff
Jobs made wider for manual staff

14. Communication to Management Bundle
Management briefed about strategy
Management briefed about finance
Eigen value after rotation:
Management briefed about organization of work
Variance explained

15. RIFs Bundle
Staff decreased by voluntary redundancy
Eigen value after rotation:
Staff decreased by redeployment
Variance explained
Outsourcing used instead of staff reduction

Source: Gooderham et al (2004), A research on: The impact of HRM practices on the performance of European firms