

Strategic Human Resource Management in
the Hybrid (Virtual Offsite / Traditional 'Brick and Mortar') Organization

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Abstract

Whereas there are numerous studies on the challenges for Strategic Human Resource Management in improving the organization's performance (Ericksen & Dyer, 2004; Lovell, 2009), few recognize the challenges for Strategic Human Resource Management in organizations with a hybrid (virtual / traditional) work option; particularly its impact on achieving organizational goals and objectives. The specific objective of this study is to identify changes to the way that work is done, as implemented by the hybrid (virtual / traditional) workforce, and its effects, if any, on Strategic Human Resource Management policies and practices. The issue is important in that the link between Strategic Human Resource Management and the overall strategic units of business does improve the organization's competitive advantage.

Keywords: SHRM, Virtual Work, Traditional Office Work, Competitive Advantage

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From a business standpoint, the changing ways of work in a hybrid (virtual offsite / traditional brick and mortar) workplace indicates that organizations can no longer remain attached to their processes (Hong, Yonghyuk, Jinwoo, & Choi, 2012). For instance, changes in one department with a hybrid (virtual / traditional) workforce may disrupt the upstream flow of interdepartmental business processes (Hunter, 2002; Zeller 2013). Other internal and external business units and support functions, may be affected as well. On one hand, “integration refers to the linking of differential units to achieve unity of effort in working toward the organization’s goals.” On the other hand, “differentiation refers to the subdivision of functional or departmental units, each concentrating on a particular aspect of the organization’s operations” (Business Dictionary.com, n.d.). In the hybrid (virtual / traditional) workplace, integration as well as differentiation, are subject to revision; thereby, creating changes to inter- and intra-departmental processes (Cohen & Gibson, 2002, pp. 11-12). The revisions become an issue when those changes are not recognized, or, if recognized, the following sequence of processes remain the same (Zeller, 2013).

As operations are guided by local and national context, the hybrid (virtual offsite / traditional ‘brick and mortar’) setting is further complicated by the organization’s global strategies. In their research, Iammarino and McCann (2013) identify the regional, internal, and external factors that may influence an organization. Under the influence of local and global processes, organizations may be divided as well as integrated; with units and subunits that may operate in opposition to the headquarters (Holden, Michailova, & Tietze, 2015; Zeller, 2017). Thus, the introduction of a hybrid (virtual / traditional) work option affects and is affected by a conglomeration of policies, procedures, and practices from the internal and external environments in a global setting. (See Appendix A: Bartlett and Ghoshal’s Four Models of Multinational Organizations.)

Contributing to the complexity is that “the evolution of human resource management (HRM) into a global discipline” required by an organization, is in various stages of development (Oxford Bibliographies, 2016). In this global context, there are revisions to the standard functions of Human Resource Management; such as recruitment, hiring, wage conformity, training. Moreover, as markets change to meet consumer demands, the role of Strategic Human

Resource Management in the “firm’s performance which focuses on the alignment of Human Resources as a means of gaining a competitive advantage” is evolving (Çalışkan, 2010, p. 102). “According to the *Financial Times*’ glossary of business terms, competitive advantage is: ‘when a company has an advantage over another in the provision of a particular product or service’” (Market Business News, n.d.). (See Appendix B: Definitions of Terms for Competitive Advantage / Comparative Advantage.)

The challenge for Strategic Human Resource Management “is the creation of linkage or integration between the overall strategic units of business and the human resource strategy and implementation” to achieve organizational goals and objectives; thereby, sustaining competitive advantage (Çalışkan, 2010, p. 102). However, achieving those goals and objectives requires a corporate-wide strategy with “an articulated plan that enables an organization to make optimum use of its people, resources, and investments” (Juniper & Harrison, 2013).

The specific objective of this study is to determine changes to the way that work is done, as implemented by the hybrid (virtual / traditional) workforce, and its effects, if any, on Strategic Human Resource Management policies and practices. Whereas there are numerous studies on the challenges for Strategic Human Resource Management in improving the organization’s performance (Ericksen & Dyer, 2004; Lovell, 2009), few recognize the challenges for Strategic Human Resource Management in organizations with a hybrid (virtual / traditional) work option; particularly its impact on achieving organizational goals and objectives.

Theoretical Framework

The theoretical framework was selected as it “may contain many ideas that are not explored within the paper or experiment it structures” (Zamboni, 2018). In contrast, a conceptual framework “represents a specific set of ideas that are used to define research and evaluate data” (Zamboni, 2018).

Strategic Human Resource Management (SHRM) works toward aligning the goals and objectives of the worker with the corporate goals and objectives, as well as differentiating the organization from its competitors; thereby, contributing significantly to the organization’s long term success (HRDictionary, 2012). SHRM theory “is based, to a large extent, on the

assumption that certain organizational goals require certain employee behaviors and that certain human resource strategies produce certain employee behaviors” (Cappelli & Singh, 1992; Schuler & Jackson, 1987).

However, “Human Resource Management, in theory and in practice, encompasses a multidisciplinary field, bringing together a diverse body of scholarship from various social science disciplines that are concerned with managing work and people” (Bratton & Gold, 2017, p. 4). Human Resource Management theories “help explain how management behaviors and structures can positively or negatively influence employee behavior” (Rowe, 2019). “The soft model emphasizes individuals and their self-direction and places commitment, trust, and self-regulated behavior at the center of any strategic approach to people; the hard model stresses the rationalism of strategic fit and places emphasis on performance management and an instrumental approach to the management of individuals” (Gratton, Hailey, Stiles, & Truss, 1999, Abstract). (See Appendix C: Fundamental Assumptions of Human Resource Theory.)

There are two predominant approaches or perspectives to human resource strategy. A universalistic or ‘best practice’ approach is based on the argument “that a single high performance human resource strategy enhances organizational effectiveness regardless of organizational goals, work systems, or context” (Ericksen & Dyer, 2004, p. 5). A contingency ‘fit’ or alignment perspective applied in some research and theories recognizes one of two forms: (1) “the vertical or degree of alignment between components of a firm’s human resource strategy and the core features of its business strategy”; or (2) a horizontal or degree of alignment “among components of a firm’s business strategy; i.e. activities such as selection, training and compensation” (Ericksen & Dyer, 2004, p. 4). Conceptually, the two forms of contingency have been applied to develop normative models to present how firm performance can be maximized with “the pairing of typologies of human resource strategy with similarly derived typologies of business strategy” (Ericksen & Dyer, 2004, p. 4). Nonetheless, another recommendation is to develop a contingency theory of SHRM that acknowledges that organizational strategy may benefit from both the vertical and horizontal fit. Moreover, the proposed theory may also need to recognize other roles, or no roles, for SHRM, in some organizations (Ericksen & Dyer, 2004).

For many Human Resource Management scholars, the meaning of the term Strategic Human Resource Management “has varied across time, between cultural contexts, and as reflections of the diverse disciplinary identities of the scholars themselves” (Jackson, Jiang, & Schuler, 2017). The “unifying aspect of scholarship on Strategic Human Resource Management is that further insights about managing human resources can be gained through research that treats the many activities involved in managing the workforce as a set of activities that, if properly aligned with the needs of the business, can result in many positive consequences” (Jackson, Jiang, & Schuler, 2017). For example, based on a “national sample of 269 human resource professionals from large United States manufacturing firms, Strategic Human Resource Management was found to directly and positively influence individual performance, organizational commitment and job satisfaction” (Green, Wu, Whitten & Medlin, 2006, Abstract). On the other hand, some companies lack coordination on many levels; thus, the organization misses an opportunity to improve the alignment of goals in their business processes, productivity, and profitability (Hong, Yonghyuk, Jinwoo, & Choi, 2012).

Synthesis of Scholarly Literature

The foundation for Strategic Human Resource Management “evolved from the literature associated with ‘flexible specialization’ and the so-called ‘socio-technical’ approach to work organization.” Flexible specialization rejects the notions of scientific management theories that promoted identifying the best way to organize work and to assure that this was not challenged or changed (Burnes & Randall, 2016). Instead, it “incorporates practices such as job flexibility, teamworking, and minimal status differentials” (Lovell, 2009, p.31). The socio-technical approach promotes “that emerging models of work in successful organizations involves teams of multi-skilled workers, attuned to customer requirements, adaptable and committed to continuous self-directed improvement in task design” (Lovell, 2009, p.31-2).

“Broadly speaking, Strategic Human Resource Management (SHRM) literature can be divided into two categories” (Salaman, Storey, & Billsberry, 2005, p.3). The first is “concerned with identifying and seeking to understand the features of organizations that are regarded as determinants of organizational performance” (Salaman, Storey, & Billsberry, 2005, p.3). In this

first category, there are “academic research-based analyses and assessments of the factors which may influence levels of performance;” and “consultancy literature which advocates particular solutions and seeks to sell their merits to the managers” (Salaman, Storey, & Billsberry, 2005, p. 3-4). In comparison, the “second type of SHRM literature does not focus on how organizational performance can be improved through capacity-building or staff management processes. Instead, it focuses on the ideas that are the foundation for the prevalent practices” (Salaman, Storey, & Billsberry, 2005, p. 4). Current literature “encourages the consideration of human resources as strategic factors” in that “they play an important role in strategy implementation” as well as being “sources of sustainable competitive advantage” (Sanz-Valle, Sabater-Sanchez, & Aragon-Sanchez, 2011, Abstract).

The literature is also influenced by the two major transformations of Human Resource Management the past 25 years. The first transformation was “from being the field of personnel management to being the field of human resource management” (Çalışkan, 2010, p. 105). The second was “from being the field of human resource management to being the field of strategic human resource management” (Çalışkan, 2010, p. 105). The transformation to strategic human resource management recognizes that coordinating human resource policies and practices is one part of the equation; the other is linking those policies and practices to business strategies (Çalışkan, 2010, p. 106).

The equation is further complicated by the lack of in-depth research on the ‘black box’ between human resource activities and programs and the indicators of firm competitiveness and performance (Ericksen & Dyer, 2004, p.5). In particular, the research in the United States Human Resource Management literature is described as being “highly descriptive and prescriptive.” “The empirical foundations have been questioned in two respects: an alleged lack of evidence that the favored procedures actually cause the claimed outcomes in terms of employee behaviors; and an alleged lack of evidence that those behaviors will benefit all enterprises in all circumstances. Its theoretical deficiencies have often been noted” (Lovell, 2009, p. 32).

Then too, due to the influence of organizational practices and policies on SHRM; the definition and the indicators are prone to change (Salaman, Storey, & Billsberry, 2005). For

example, “authoritative and dominant views of what constitutes sensible and effective programs of organizational change, are themselves highly changeable. Conceptions of the organizational factors or processes, which are seen to determine high levels of organizational success, vary over time” (Salaman, Storey, & Billsberry, 2005, p. 4). These factors or processes include, but are not limited to “culture change, process re-engineering, management competencies, knowledge management, and transformational leadership” (Salaman, Storey, & Billsberry, 2005, p. 4).

As Edward L. Gubman observed in the *Journal of Business Strategy* (1996), ‘the basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change’” (Inc, n.d.). The definition of Human Resource Management, expanded by Michael Armstrong in his book *A Handbook of Human Resource Management* (1999), aligns more closely with Strategic Human Resource Management by emphasizing the contribution to the organization’s success. Armstrong described Human Resource Management as "a strategic approach to the acquisition, motivation, development and management of the organization's human resources. It is devoted to shaping an appropriate corporate culture, and introducing programs which reflect and support the core values of the enterprise and ensure its success” (Inc., n.d.). Similarly, Erwee (2003) noted that: “...in the competitive process of globalization and complexity, it is becoming critical to manage sustainable multinational organizations more effectively by using Strategic Human Resource Management (SHRM), and to link this with strategic needs in the larger organizational context” (Rotich, 2015, p.65). Moreover, organizations will also need to “work within the confines of (their) local environment as well as a range of laws, politics, culture, economics, and practices between societies” (Rotich, 2015, p.65)

Comparatively recent theories and management practices are derived from a number of scholarly disciplines. Thus, SHRM has been examined from a variety of lenses by “scholars from different disciplines” (Lovell, 2009, p.23). For example, organizational psychology, based on a concern of employee satisfaction through the concept of organizational climate, has contributed to notions like corporate culture and its implications for firm performance. “Labor economics contributed the perspective of human capital and the desirability of maximizing

employee productivity” (Lovell, 2009, p. 23). And, organizational behavior studies based on sources of organizational performance “have incrementally absorbed the psychologies of individual motivation and group processes and their relationships with the various conceptions of organizational strategy” (Lovell, 2009, p.23).

In recent years, “a cascade of changing business conditions, changing organizational structures, and changing leadership has been forcing human resource departments to alter their perspectives on their role and function almost overnight,” wrote John Johnston in *Business Quarterly* (Inc., n.d.). In the transition, studies show that a gap has developed between “what Human Resource professionals see as their role in the organization and how non-Human Resource managers see it (Guest & King, 2001; Hird, et al, 2010; Kulik & Perry, 2008)” (Bratton & Gold, 2017, p.16). With regards to the perceived contrast in roles, Kurt Lewin, in 2008, observed that “the main challenge in the twenty-first century is for Human Resource professionals to keep focused on a strategic role in their organization while also performing the essential operational role” (Bratton & Gold, 2017, p. 16).

As Gandossy, Tucker, and Verma (2006) “observe, in the coming years, organizations will confront challenges related to demographic trends, global mobility, diversity, work/life issues, technology changes and a virtual workforce. These changes will influence how work is performed, where it is performed, and what skills are required” (Rotich, 2015, p. 70). In their text titled “*The Workforce Scorecard: Managing Human Capital to Execute Strategy*” (2005), researchers Mark A. Huselid, Brian E. Becker, and Richard W. Beatty, define workforce success as being “based on the contribution to strategy execution rather than measuring only Human Resource activities and workforce potential (competencies)” (p. 148). They also determined that “effectively executing the workforce accountabilities of a firm’s strategy [will] involve a new set of roles and responsibilities at all levels” (Huselid, Becker, & Beatty, 2005, p. 167). The research is based on “five major contributors (CEO, executive team members, line managers, the workforce, and HR) to effective strategy execution, as well as associated metrics” (Huselid, Becker, & Beatty, 2005, p. 167). The researchers provide “ideas and examples of how strategy execution can be accomplished through an explicit workforce strategy and workforce metrics and by holding leaders accountable for their workforces” (Huselid, Becker, & Beatty, 2005, p. 167).

Furthermore, several business trends have had a significant impact on the broad field of Human Resource Management (HRM). Chief among them is new technologies. These new technologies, particularly in the areas of electronic communication and information dissemination and retrieval, have dramatically altered the business landscape. Telecommuting / virtual offices, have also created an emerging subset of employees; thereby, requiring new guidelines to be developed by Human Resource Management professionals (Inc., n.d.).

Lin's (2011) comprehensive literature review used the organization's viewpoint of adaptability and innovation, to analyze key issues; including the influence of information technology and virtual office adoption on the organization's innovation performance (p. 237). In the hybrid (virtual / traditional) workplace, these influences demand cooperation and integration at the workforce, departmental, and organizational levels; including external partners and environments (Lin, 2011, p. 238). The review resolved that information technology has had a major influence on the way that work is done and the reciprocal relationship with internal and external environments (Lin, 2011).

Cascio (2000), drawing on the experiences of Fortune 500 companies to identify the business reason advantages and disadvantages for the hybrid (virtual / traditional) work options, maintained that although all indications are that the hybrid (virtual / traditional) environment will grow; human resources may need to determine when the virtual portion of the hybridity may not be appropriate for the job (p. 81). Researchers, Piccoli, Powell, and Ives (2004) recognized the potential problems that may accompany the blind transfer of practices used in the traditional environment to the virtual environment. They encouraged creating and testing management control schemes particularly for the virtual workplace that explicitly account for the characteristics and challenges of the virtual environment.

Objective

Organizations, in the framework of Strategic Human Resource Management (SHRM), "are viewed as complex systems of interrelated elements, such that each element influences the system's functioning and is affected by at least one other element in the system" (Jackson, Jiang, & Schuler, 2017). At the organizational level, Strategic Human Resource Management (SHRM)

“is concerned with the role human resource management systems play in firm performance, particularly focusing on the alignment of human resources as a means of gaining a competitive advantage” (Çalışkan, 2010, p. 102). Fundamentally, “SHRM can be perceived as a ‘macro’ perspective, e.g. strategies and policies; whereas HRM represents more of a ‘micro’ approach, e.g. activities, functions and processes” (Rotich, 2015, p. 64).

Whereas the hybrid (virtual / traditional) organizations have changed where and how people work; thereby, affecting the ‘micro’ approach of HRM (See e.g. Grant, Fried, Parker, & Frese, 2010; Gutterman, 2013; Sinha & Van de Ven, 2005; Zeller, 2013); the objective of this paper is to identify the effect, if any, on the ‘macro’ perspectives of the Strategic Human Resource Management (SHRM) strategies and policies in United States-based global organizations with a hybrid (virtual offsite / traditional ‘brick and mortar’) workforce .

Problem Statement

Overall, the combination of a virtual and physical workplace promotes advantages; such as reduced hard costs, i.e. real estate; to a reduction in soft costs related to high-turnover rates (Ware & Grantham, 2010). Studies also suggest that the combination enhances productivity as it improves employee input and collaborative efforts (Montero & Montero, 2010/2011). Nevertheless, there are challenges when the internal environment as job, work, and business processes, particularly standardized processes, are changed. And, the external environment, diverse and ever-changing, creates its own set of far reaching sociopolitical, geographic, and economic implications and threats that vary in severity and frequency (Bhamra, 2016).

Primarily, the transition to a hybrid (virtual / traditional) practice requires diligence; the “organization’s capacity to anticipate or detect surprises early and without compromising routine operations” (Ericksen & Dyer, 2004, p.11). However, in order to adapt accordingly, efforts must be made to develop “robust and resilient organizational systems capable of withstanding and responding to the uncertainties and challenges” (Bhamra, 2016, p. 4).

In their expanding roles, Strategic Human Resource Management (SHRM) is in a position to support those changes in the hybrid (virtual / traditional) venue by proactively identifying, bringing attention to, and acting on revisions. Alternatively, SHRM, coordinating

with internal and external stakeholders, may also determine that a hybrid (virtual / traditional) policy is not be suitable.

Purpose of Study

The purpose of this study is to understand the influences, if any, of the hybrid (virtual / traditional) work practices on Strategic Human Resource Management (SHRM) in United States-based organizations with a global presence. The issue is important in that the link between Strategic Human Resource Management and the overall strategic units of business does improve the competitive advantage. The study will reference multiple types and sources of information; therefore, it is anticipated that different perspectives and patterns will be discovered.

Research Questions

The research questions are based on the hybrid (virtual / traditional) setting and Strategic Human Resource Management (SHRM) strategies and policies. The central questions seek to identify changes introduced in the hybrid (virtual / traditional) venue and the effect, if any, on Strategic Human Resource Management (SHRM) strategies and policies. The research questions are: What changes are introduced by the hybrid (virtual / traditional) work option? What effect is there, if any, on the Strategic Human Resource Management (SHRM) strategies and policies?

Research Methods and Description

Basically, organizations “are social units of people with recognizable boundary to reach certain goals” (Önday, 2016, p. 97). Pursuant to the topic of Strategic Human Resource Management (SHRM), “all organizations have a management structure that determines relationships between the different activities and the members and subdivides and assigns roles, responsibilities, and authority to carry out different tasks” (BusinessDictionary.com, n.d.). Moreover, “organizations are open systems — they affect and are affected by their environment” (BusinessDictionary.com, n.d.).

“The differentiated contexts” of the global dimensions of the organization require a “thick description, exploratory research, and cross-case analysis” (Doz, 2011, p. 573). Yin (2003) recognizes the challenges in clearly defining the ‘unit of analysis’; i.e. what the ‘case’ actually is (Lovell, 2009, p.81). For this paper, the cases will be selected based on the availability of information for organizations with formal hybrid (virtual / traditional) work policies.

Furthermore, the exploratory cross-case analysis will be based on “qualitative research, uniquely suited to ‘opening the black box’ of organizational processes, the ‘how’, ‘who’, and ‘why’ of individual and collective organized action as it unfolds over time in context” (Doz, 2011, p. 583). The framework will follow Van Maanen’s (1979) “definition of qualitative research as ‘an umbrella term’ to cover an ‘array of interpretive techniques that can describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world” (Doz, 2011, p. 574).

Though the exploratory cross-case analysis will encourage different perspectives; the generalization will be limited by those factors that are not considered; such as variables for regional financial and political stability. Another limitation is that “operationalizing organizational performance has not been easy for Strategic Human Resource Management scholars” (Ericksen & Dyer, 2004, p. 9). Thus, there is yet another limitation in that the challenges “of controlling variables - or operationalizing them adequately” - may rule-out the option for an experimental study (Lovell, 2009, p. 93).

Case Studies

Strategic Human Resource Management (SHRM) can be perceived as a ‘macro’ perspective (e.g. strategies and policies), whereas HRM represents more of a ‘micro’ approach (e.g. activities, functions and processes). The following cases studies were selected to identify the effect, if any, of the hybrid (virtual offsite / traditional ‘brick and mortar’) workforce on the ‘macro’ perspectives of the Strategic Human Resource Management (SHRM) strategies and policies in United States-based organizations, with a global presence.

Management decisions regarding any revisions to the hybrid (virtual / traditional) work policy are not questioned. The emphasis is on the changes introduced by the hybrid (virtual / traditional) workforce. Then, those changes are presented in view of the SHRM 'macro' perspective, e.g. strategies and policies (Rotich, 2015, p. 64). The objective is to identify the effect of the hybrid work policy, if any, on the Strategic Human Resource Management (SHRM) strategies and policies. From a Strategic Human Resource Management perspective, the link or integration between the unit(s) of business with a hybrid workforce and the Human Resource strategies should indicate the contribution, or none, to the organization's competitive advantage.

The case studies were selected for several reasons. One, because of the public availability of data and information. Two, because of their formal hybrid (virtual / traditional) work policy. The research questions are: What changes are introduced by the hybrid (virtual / traditional) work option? What effect is there, if any, on the Strategic Human Resource Management (SHRM) strategies and policies?

A. IBM

A 1998 Harvard Business Review article assessed the potential for virtual work options in traditional 'brick and mortar' organizations. IBM was one of the several organizations that was covered. According to Lee A. Dayton, IBM's vice president for corporate development and real estate, said that there were two principles "at the heart of the initiative." The first, was to reduce travelling from one customer to another, or from an IBM office to the customer. The second was to eliminate travel from a customer's office or the worker's home to an IBM office. The premise was that, to some extent, travel time reduced productivity (Apgar, 1998).

On the other hand, though "Jerome T. Roth, IBM's manager of infrastructure expense, noted the "obvious savings from real-estate cost reduction", he voiced a concern regarding performance (Apgar, 1998). The cost savings may "hide qualitative improvements in employee satisfaction and customer service that are less measurable but no less important and in the end might justify a (virtual) work program" (Apgar, 1998). At the time, IBM's marketing manager, Kevin Rirey, said this about performance measurement and rewards in his unit after the Mobility Initiative was put in place: "We've always rewarded for results, but when you are in a traditional office environment and see the effort that people put into a job, it's very difficult not to reward

them at least partly for that effort. We don't tend to do that anymore. We focus a lot more on results than on effort. But it's a difficult transition" (Apgar, 1998).

Even then, John Newton, IBM's manager of IT plans and measurements "believed that the company's extraordinary cost savings would plateau." Newton recognized that in mobility economics, as more people go mobile, support structures are needed for them. Thus, there will be "a point of diminishing returns, because we can't keep pulling people out of offices forever. There will be productivity benefits but not occupancy cost savings" (Apgar, 1998).

"Vice-President of information technology for IBM North America, Lorraine Fenton," identified an issue that also remains relevant in the 21st Century. "Most 'twenty-somethings' entering the workforce have never had a private office, so to begin their work life without one is not a traumatic change." However, "employees who are accustomed to a structured office environment may find it hard to adjust to a largely self-directed schedule, and those who are used to working within earshot of many colleagues may be lonely in a remote setting." Another issue that continues to plague the current hybrid (virtual / traditional) setting is that "middle managers usually put up the strong resistance to the alternative workplace, in part because they feel as though the very foundations of their roles are being pulled out from under them" (Apgar, 1998).

By 1993, as profitability and competitiveness were declining, fundamental changes were being called for in corporate strategy (Apgar, 1998). Hence, "the early pilot projects were transformed into a mainstream initiative in the North American sales and service organization" (Apgar, 1998). The goal of the revamped initiative was "to improve customer responsiveness, reduce costs, and increase productivity" (Apgar, 1998).

In that phase of the program, "IBM's entire United States sales force could operate independent of a traditional workplace; and one-third of all the company's departments had at least some mobile employees" (Apgar, 1998). The success of the results are summarized in savings in real estate and in voice-IT expenses" (Apgar, 1998). Furthermore, that success is attributed to "the fact that the initiative was a bottom-up effort" (Apgar, 1998). According to IBM's vice-president for corporate development and real estate, Lee A. Dayton, "It was a peer-driven effort by and for the people who were going to be affected" (Apgar, 1998).

Currently, from a profitability perspective, “after years of heavily investing in initiatives targeting cloud computing and artificial intelligence, IBM is in its 21st consecutive quarterly revenue decline” (Duggan, 2017). Given the timeframe, the uncertainty and challenges of the external environment do not appear to be new problems. Hence, IBM has taken a series of actions to accelerate the organization’s transformation to improve their market potential for analytics, cloud, social, local, and mobile (Zeller, 2017). Basically, IBM is seeking to regain its competitive advantage.

As part of that strategy, IBM is revising their internal operations; e.g. requiring remote workers to return to the traditional offices. “Some 2,600 people in IBM’s marketing department, plus an unknown number of employees in IT, procurement, and Watson-related departments” were required to co-locate. For instance, due to business process changes, the virtual workers in the marketing department were required to co-locate in one of six United States Cities; Atlanta, Austin, Boston, New York, Raleigh, and San Francisco (Weller, 2017). Basically, marketing is no longer a process “where work is handed from one person to another.” The current process is iterative, “where the effects of changes in a campaign can be understood live, and responded to in real-time” (Weller, 2017).

In addition, according to IBM’s chief marketing officer, Michelle Peluso, “There is something about a team being more powerful, more impactful, more creative, and frankly hopefully having more fun when they are shoulder to shoulder” (Weller, 2017). The basis for the decision to require the virtual workers to return to traditional offices was to encourage interaction; that would, in turn, “lead to new business insights which increase business momentum” (Boss, 2017).

Conversely, there is a concern that all they’ve done is “shuffle people around into different boxes, they haven’t changed behavior which is their real intention” (Boss, 2017). That is, “where people work isn’t as important as how or why they work” (Boss, 2017). Whether the workplace is a virtual work-from-home setting or a traditional ‘brick and mortar’ office, in the global setting, the workforce is scattered. Hence, the challenge is in developing policies and practices for direct contact, coordination, reciprocal relationships, and continuous process thereof through technology (Zeller, 2018).

However, the initial strategy for the work at home program at IBM focused on the financial, short-term savings for the corporation's bottom line; linking that strategy to the organization's goals and objectives was not a priority. That is, the short-term savings were given priority over a productive strategy that could have contributed to increases in "an employee's availability through job flexibility, and performance through increased loyalty" (Greulich, 2017). Moreover, after the "real estate cost savings were realized, interest was lost in funding work-at-home as a strategy to improve productivity" (Greulich, 2017). Hence, managers and management teams were left on their own "to determine where, how, or the degree to which work at home should be implemented" (Greulich, 2017). Additionally, "some managers who were fully competent with a face-to-face workforce...did not know "how to maintain close working relationships with and between their now-remote employees" (Greulich, 2017).

The challenge for SHRM is to create the link between the business units and human resources with the talent and resources, whether from virtual or traditional offices, to accommodate the changes. At IBM, there were some gaps identified in Apgar's (1998) article in the early days of the virtual work option. For one, the real estate savings was and continues to be important. Nonetheless, without productivity and profitability, that cost savings begins to diminish over time. Addressing a range of business processes, including but not limited to the inter- and intra-departmental workflow affected by the transition, crucial to promoting and sustaining productivity, was not prioritized. Therefore, any revised business processes needed to be based on the organization-wide strategy; i.e. an articulated plan that enables an organization to make optimum use of its people, resources, and investments. However, the processes and strategies were not synchronized (Juniper & Harrison, 2013).

B. Intuit

Intuit "failed the first time they tried to global" (Say, 2014). Basically, Intuit "assumed that merely translating the language was enough in the mid-1990's. Diane Hessian, the President and CEO of Communispace, summed it up nicely when she said that Intuit 'neglected to tailor its product to the nuances of the ethos, culture, and native languages of consumers

abroad” (Say, 2014). Intuit revised their approach and, today, Intuit is growing its global presence in China, where initially, the organization failed to gain a market niche (Say, 2014).

But, in Australia, “Intuit’s strategy of selling its cloud-based accounting system on the cheap in order to spur demand has backfired” (Newsdesk, 2014). When Intuit Australia managing director, Nicolette Maury was asked whether the pricing strategy had failed, she said that “What we are hearing from advisors is that the price seems to good to be true” (Newsdesk, 2014).

Yet, Intuit’s culture encourages innovation and adaptability. In fact, “since its founding, Intuit has done what every company today must learn to do, disrupting itself continuously, reinventing its products and its business model before any competitor can beat it to it” (Colvin, 2017). For instance, when Microsoft switched from DOS to Windows, Intuit transitioned to the then very new platform. Moreover, Intuit transitioned in the early days of the Web, positioning its products for the future cell phone applications (Colvin, 2017).

Currently, the organization recognized that they needed to realign their Accountant related business to provide an increased emphasis on the company’s growing global connected services. The structural realignment contributed to the accomplishment of two strategic goals: ‘to be the world’s small business operating system’ and to ‘do the nations’ taxes in the United States and Canada’ (Murphy, 2013). Ultimately though, “the change in strategy resulted in reductions in its India team” (Sengupta & Mendonca, 2015). Intuit claimed that “the ‘tough choices’ would help the organization succeed in the future” (Sengupta & Mendonca, 2015).

From a Strategic Human Resource standpoint, Intuit has in-house resources to drive progressive change and innovation; including developing the iPhone and Android apps for completing tax returns (Thomas, 2013). From an organizational standpoint, Intuit has learned to adapt to global market changes in their respective industries; and then change accordingly. For instance, Intuit’s strategy of selling a cloud-based accounting system is an advantage in that the “demand for cloud-based accounting systems has risen strongly” (Newsdesk, 2014).

Intuit also recognized that work is really about a partnership and setting expectations; and that great talent, required to service its expanding global footprint, is everywhere (Fell, 2015).

Hence, the organization promoted practices to utilize the resources of their workforce; regardless of their locations; i.e. virtual or traditional office. Intuit has also adapted their management practices to support the workforce from their virtual or traditional work location. In order to sustain the initiative, Intuit has an Engagement Specialist, dedicated to the remote workforce, who coordinates offerings that are global and virtual (Fell, 2015). There are also hiring managers who define role expectations, location, and then work with candidates to ensure that their expectations are aligned (Fell, 2015). In addition, Intuit has been able to maintain a hybrid (virtual / traditional) work option by providing and supporting state-of-the-art technology.

The challenge for SHRM will be its role in firm performance, particularly focusing on the alignment of Human Resources as a means of gaining a competitive advantage. First, although Intuit's progress in the global market is not where expected, the organization has strategic plans to improve their position. For example, the head of accounting for Intuit says "it will win market share from the major players, MYOB and Xero, and emerge to be the dominant force in the region" (Austalian FinTech, n.d.). As part of that initiative, Intuit has "boosted its on-the-ground presence to more than 100 staff and its local headcount is set to increase more this year" (Australian FinTech, n.d.).

On the other hand, researchers Mark A. Huselid, Brian E. Becker, and Richard W. Beatty, define workforce success as being based on the contribution to strategy execution rather than measuring only Human Resource activities and workforce potential (competencies). SHRM's framework would contribute toward identifying the workforce contribution to the organization's success; e.g. accomplishment of two strategic goals: 'to be the world's small business operating system' and to 'do the nations' taxes in the United States and Canada' (Murphy, 2013).

C. AT&T

As former AT&T chairman Robert Allen noted on the company's Telecommuting Day in 1994, "Work is where the phone is, and it's logical that we should work like a phone-based organization. When our initiative began, however, AT&T looked like an antiquated company,

with fixed schedules, expensive space, and a heavy hierarchy” (Apgar, 1998). From a profitability standpoint, “by eliminating offices people don’t need, consolidating others, and reducing overhead costs, AT&T freed up some \$550 million in cash flow—a 30% improvement” (Apgar, 1998). And, “as more people become accustomed to and take full advantage of the new style of working”, the projected annual savings are \$50 million (Apgar, 1998).

In addition to the savings acquired from reduced office space, AT&T’s vice president for global real estate, Stephen M. Brazzell, recognized that because the connectivity allows for quick and effective communication, there is an improvement in productivity (Apgar, 1998). Meetings in the alternative workplace also take less time because participants manage their time better; they meet not just to discuss issues but to resolve them (Apgar, 1998). Basically, the employees in the program found that they were not distracted or interrupted as they were in the traditional office; therefore, more work is done in less time.

Nonetheless, “when an employee at home can’t communicate with other employees or clients, access the right information, or easily reach a help desk to solve a technology problem, the initiative is destined to fail” (Apgar, 1998). As AT&T’s Jill M. James, director of AT&T’s Creative Workplace Solutions puts it, “The technology has to work from the start. When you’re asking people to give up their space and all that goes with it, you owe it to them to make sure that the systems are flawless. Because employees are mobile, the tools they use are their lifeline. They can’t survive without them” (Apgar, 1998).

To enhance AT&T’s multiple options of “shared offices, telecommuting, and virtual offices”, James, “designed a café at one drop-in facility to encourage ‘casual collisions’; those spontaneous encounters that occur where people gather and communicate” (Apgar, 1998). These casual collisions at the drop-in facility allow for another venue where ideas can be exchanged and generated.

“But by 1993, the company’s profitability and competitiveness had declined to the point that more fundamental changes in corporate strategy were called for” (Apgar, 1998). In order to meet the revised strategic objectives, the “early pilot projects” for multiple work options refocused on “the North American sales and service organization” (Apgar, 1998). This initiative

was “designed to improve customer responsiveness, reduce costs, and increase productivity” (Apgar, 1998).

Then, in 2005, AT&T acquired SBC Communications; and in late 2006, BellSouth, along with the former Cingular wireless operation, was acquired. At the same time, some of the virtual work arrangements were modified or cancelled altogether. The organization’s spokesman, Walt Sharp, denied “broad-scale plans” to end the alternative work options (Bednarz, 2007). Sharp went on to state that the recent merger of the “very large companies, each of which has separate policies on everything” required the integration of policies for AT&T (Bednarz, 2007). Furthermore, Sharp “believed that the policy would be integrated sometime within the next year” (Bednarz, 2007).

In 2008, AT&T executives began to examine the kind of workforce skills that would be needed to thrive (Caminiti, 2018). “AT&T’s research that showed about half of their 250,000 employees had the necessary science, technology, engineering, and math skills the company required” (Caminiti, 2018). The other issue was that about “100,000 workers were in jobs having to do with hardware functions that probably wouldn’t exist in the next decade” (Caminiti, 2018). Instead of hiring new applicants, AT&T opted to retrain its “existing workforce so they can be competent in the technology and skills required to run the business going forward” (Caminiti, 2018). The retraining, which includes “online courses; as well as collaboration with Coursera, Udacity, and leading university” avoids the high cost of turnover while also keeping “valuable institutional knowledge in place” (Caminiti, 2018).

In 2013, John Donovan, AT&T’s Chief Strategy Officer, who was then responsible for overseeing the company’s technology and services unit that employs 135,000 workers, got together with Human Resources Chief Bill Blasé to explain the severity of the workforce skills shortage to the CEO, Randall Stephenson (Pressman, 2017). The initiative, Workforce 2020, which would include “a new training system capable not just of imparting new skills to workers, but also helping those workers make decisions about which ones they might need and which would be in demand as AT&T shifted toward software” (Pressman, 2017).

Blasé asked Cynthia Marshall, then president of AT&T North Carolina, now Senior Vice President of Human Resources and Chief Diversity Officer, to assist with the development of the program. “Marshall recalls that the mission was clear: ‘We’re not just going to tell those engineers that they can leave and somebody else is going to come to do their jobs.’ Her mandate was ‘We are taking the people’” (Pressman, 2017).

Essentially, Marshall started with a restructuring of the company’s organizational chart, streamlining 2,000 job titles into fewer, broader categories with similar skills (Pressman, 2017). Next, an online system called Career Intelligence, was developed so that employees could “surf through possible alternative jobs, see what skills are required, how many positions are available, investigate whether the segment is projected to grow or shrink, and view the potential salary range” (Pressman, 2017).

In the framework of Strategic Human Resource Management (SHRM), “organizations are viewed as complex systems of interrelated elements, such that each element influences the system’s functioning and is affected by at least one other element in the system” (Jackson, Jiang, & Schuler, 2017). Piccoli, Powell, and Ives (2004) recognized the potential problems that may accompany the blind transfer of practices that can impact the system’s functioning and elements. Hence, they encouraged creating and testing management control schemes particularly for transitions that explicitly account for the characteristics and challenges of the changing work environment; e.g. to / from the virtual offsite and traditional ‘brick and mortar’ offices. .

Recommendations for Further Research

Generally, the theory of Social Network Analysis (SNA) is used to explain the relational properties of social members “rather than their attributes” (Hong, Yonghyuk, Jinwoo, & Choi, 2012, p. 5412). However, the objective of research by Hong, Yonghyuk, Jinwoo, and Choi (2012), was to seek the organizational structure that helped a company perform its business processes well. Hence, their application of SNA goes beyond the implications of social relations to “analyze business relations among members of organizations” (p. 5412). As the research was “based on business relations between resources performing tasks”, the social network was referred to as a “process network” (p. 5412). For future research, their process network

methodology can be applied to develop Strategic Human Resource Management policies and practices, based on the business relations between resources performing tasks in a hybrid (virtual / traditional) workforce, that improve the organization's competitive advantage (Zeller, 2017).

In addition, not to discount the relevance of qualitative research, another recommendation for further research is to operationalize variables. Essentially, "operationalizing organizational performance has not been easy for Strategic Human Resource Management scholars" (Ericksen & Dyer, 2004, p. 9). Nevertheless, operationalizing / controlling variables is essential to empirical foundations; e.g. evidence for the actual cause of the claimed outcomes in terms of employee behaviors; and evidence that those behaviors will benefit all enterprises in all circumstances (Lovell, 2009, p. 93). To illustrate, Raquel Sanz-Valle, Ramon Sabater-Sanchez, and Antonio Aragon-Sanchez researched the link between human resource practices and types of business strategies. Their empirical research, based on data from 200 companies, "identified significant associations between some human resource practices and business strategies" (Sanz-Valle, Sabater-Sanchez, & Aragon-Sanchez, 2011, Abstract).

Conclusion

In the framework of Strategic Human Resource Management (SHRM), organizations are viewed as complex systems of interrelated elements, such that each element influences the system's functioning and is affected by at least one other element in the system. The challenge is to gain and sustain competitive advantage through coordinating and strategically linking human resources to organizational goals and objectives. Realistically though, in the evolving global market, the organizational goals and objectives are likely subjects of continual, and sometimes disruptive, revisions. Thus, the link between human resources and those goals and objectives is complicated and dynamic.

That is, the roles of HRM / SHRM are not a linear process. Both the HRM operational and SHRM strategic roles require a nonlinear and reciprocal perspective; one that is based on an understanding of the complex system and interrelated elements of an organization, as well as the changing global market. Then, the issue is to relate that nonlinear and reciprocal perspective to the development of a workforce that has the skills and knowledge-base to understand and

contribute to the strategic goals of the organization. The challenge for SHRM is to continually create the link between the business units and human resources with the talent and resources, whether working from virtual or traditional offices, to accommodate the dynamic changes in the internal and the external environments.

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Appendix A Bartlett and Ghoshal's Four Models of Multinational Organizations

Admin (2009). Global strategies for MNCs. Christopher A. Bartlett and Sumantra Ghoshal. From <http://www.businessmate.org/Article.php?ArtikelId=13>

Multidomestic / Multinational (Admin, 2009).

Low pressure for integration - high pressure for differentiation

Strategy is based on responsiveness to local market demands.

Resources are dispersed among the different national operations to be able to respond to local needs (Bartlett, Ghoshal, & Beamish, 2008).

Structure of the MNC will be a portfolio of rather autonomous national companies containing their entire value chain.

The innovation and knowledge developed at these national companies will most likely stay there, and will most likely not be dispersed to other companies within the MNC.

International (Admin, 2009).

Low pressure for integration - low pressure for differentiation

Strategy is based on home country expertise.

Resources are generally centralized in the home country for developing key innovations; however, other resources may be decentralized to allow innovations to be adapted worldwide (Bartlett, Ghoshal, & Beamish, 2008).

Structurally, the majority of the value chain will be maintained at the headquarters. The control of technologies used for e.g. production and general management systems will be structured and developed at home.

The development of knowledge and innovation will stream from the home organization to the subsidiaries.

Global (Admin, 2009).

High pressure for integration - low pressure for differentiation

Strategy is heavily based on scale of economies.

All of its resources are concentrated either in its home country or low-cost overseas location (Bartlett, Ghoshal, & Beamish, 2008).

From a structural standpoint, the subsidiaries of the MNC are rather weak and a full value chain will only exist at home. The subsidiaries are heavily dependent on resources and know-how from the home organization.

Innovation and development will be created at home, and later diffused to remaining subsidiaries.

Transnational (Admin, 2009).

High pressure for integration - High pressure for differentiation

Strategy tries to maximize both responsiveness and integration, where knowledge and innovation is sought developed and dispersed within the entire network.

Distribution of resources is decided upon, as follows: Some are best-centralized within the home-country operation for several reasons: realize economy of scale, protect core competencies, and provide necessary management. Others may be concentrated but not necessarily at home, such as: world-scale production plants built in low-wage countries for labor-intensive products; advanced technology requiring a concentration of research and design resources and activities (Bartlett, Ghoshal & Beamish, 2008).

The structure of the MNC is regarded as a network, and each subsidiary is given responsibility compared to its capabilities and strategic mission.

The MNC is controlled by the movement of people within the MNC that may facilitate the mutual development and dispersion of innovation and knowledge.

Appendix B: Definitions of Terms

Human Resource Management (HRM): “the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees” (Inc., n.d.)

Strategic Human Resource Management (SHRM): “the study of sets of HRM elements and their interrelationships with other elements comprising an organizational system, including elements in the organization’s internal and external environment as well as the multiple stakeholders who evaluate the organization’s effectiveness and determine its long-term survival” (Jackson, Jiang, & Schuler, 2017).

Strategic Human Resource Management Systems: “Scholars of Strategic Human Resource Management (SHRM) view organizations as complex systems of interrelated elements, such that each element influences the system’s functioning and is affected by at least one other element in the system” (Jackson, Jiang, & Schuler, 2017).

Organizations: Multinational, International, Transnational, Global

Hybrid Work Environment: For this study, a hybrid work environment will refer to a combination of physical and virtual workspace / scheduling in a global organization; e.g. multinational / transnational / international.

Business Process: a term credited to Adam Smith, 1776; “a set of activities and tasks that, once accomplished, will accomplish an organizational goal” (Appian, 2016).

Work Design: The variable ‘work design’ is frequently used interchangeably with the variable ‘job design’. Generally, the work design will be defined as work that “goes beyond individual jobs to the organization of groups of workers” (Sinha & Van de Ven, 2005, p. 390).

Job Design: The variable ‘job design’ is frequently used interchangeably with the variable ‘work design’. Generally, job design is the functional daily role of the process (Sinha & Van de Ven, 2005, p. 390).

Productivity: will refer to the amount of work that the traditional and virtual workers complete in a specific timeframe; such as within one work day. The workers’ experience will not be considered; that is, the differences in productivity of new and experienced workers will not be identified. Efficiency, such as the any increase in errors / accuracy, will also not be indicated (Ingram, n.d.).

Competitive Advantage / Comparative Advantage: Competitive Advantage: “When a company has an advantage over another in the provision of a particular product or service” (Market Business News, n.d.). Comparative Advantage: “Refers to nations becoming wealthier

by trading rather than becoming self-sufficient. In other words, they specialize, trade with other nations, and get richer” (Market Business News, n.d.).

Appendix C: Fundamental Assumptions of Human Resource Theory

From Önday, Ö (2016, Feb). Human resource theory: From Hawthorne experiments of Mayo to groupthink of Janis. *Global Journal of Human Resource Management*, 4, 1, 95-110

- Organizations exist to serve human needs (not the reverse).
- Organizations and people need each other (Organizations need ideas, energy, and talent; people need careers, salaries, and work opportunities).
- When the fit between the individual and the organization is not enough adequate, one or both will suffer. Individuals will be exploited, or will seek to exploit the organization, or both.
- A good fit between individual and organization benefits both. Humans find meaningful and satisfying work, and organizations get the human talent and energy that they need.
- Behavioral scientists “focused attention on seeking to answer questions such as how organizations could and should allow and encourage their people to grow and develop”.
- “From this perspective, it is assumed that organizational creativity, flexibility, and prosperity flow naturally from employee growth and development”.
- “The essence of the relationship between organizations and people is redefined from dependence to codependence”.
- “People are considered to be as important as or more important than the organization itself” (p. 149) Focuses on “people, groups, and the relationships among them and the organizational environment”.
- “Because the organizational behavior perspective places a very high value on humans as individuals, things typically are done openly, including providing employees with information they need to make informed decisions with free will about their future .
- “The organization is not the independent variable to be manipulated in order to change behavior, even though organizations pay employees to help them achieve organizational goals. Instead, the organization must be seen as the context in which behavior occurs. It is both an independent and dependent variable. The organization influences human behavior just as behavior shapes the organization”.
- Enormous field of study with many subfields!