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Rethinking Human Resources Management In A Complex Context: Proposing Systemic Human Resources Management (SYS HRM)

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RETHINKING HUMAN RESOURCES MANAGEMENT IN A COMPLEX CONTEXT:

PROPOSING SYSTEMIC HUMAN RESOURCES MANAGEMENT (SYS HRM)

By

Regina Tendayi

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RETHINKING HUMAN RESOURCES MANAGEMENT IN A COMPLEX CONTEXT: PROPOSING SYSTEMIC HUMAN RESOURCES MANAGEMENT (SYS HRM)

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ABSTRACT

The emerging disruptive business environment world-wide presents complex challenges to the theory and practice of human resources management (HRM) globally, including the United States. In this dissertation, I argue that against a volatile, uncertain, complex, and ambiguous (VUCA) context, HRM should adopt systems thinking methodologies, approaches, frameworks, and tools to ensure sustainable HRM problem-solving and decision-making. To this end, I formulated a new approach that I labelled Systemic Human Resources Management (Sys HRM). I emphasized that Sys HRM does not replace traditional methodologies but rather, it is complementary to prevailing HRM methodologies, approaches, tools, and frameworks. Using a case study of a home healthcare organization, the differences between the prevailing approach, often described as the resource-based view (RBV), and the Sys HRM approach are presented. This includes articulating differences between methods and tools used for problem formulation, problem-solving, and decision-making. Overall, my findings showcase the limitations of applying only the prevailing HRM methodologies, approaches, frameworks, and tools in chaotic and complex contexts. I posit that rather than HRM focusing on having a seat at the C-suite table, the function should reposition itself so that it remains viable, evidenced through the impact of HRM initiatives on the bottom-line. I also argue that HRM should embrace Sys HRM by redesigning the HRM curriculum by academic institutions and HRM professional institutions including the Society of Human Resources Management (SHRM). I note that further research is critical to test my findings from the case study and to support that Sys HRM is a valid approach in a VUCA context.

DEDICATION

I dedicate this doctoral dissertation to my mom and my late dad, who laid an extraordinarily strong foundation in me to value education. My dad is the hero in my life, he stood by us (me and my sisters) as girl-children, against a world where back then in my home country Zimbabwe, societal cultural norms and values did not support education for the girl-child. My mom is my heroin. After my dad passed on, she soldiered on, providing for us, without a job or any means to take care of me and my siblings. She worked in our back yard garden, grew, and sold vegetables to supplement her spousal life insurance from my dad's death benefits to make sure we all went to school. Given the size of my family (8 siblings), the money was not sufficient. Despite insufficient income, my mom made sure that all eight of us accomplished our educational desires. I will forever be indebted to you my mom, and dad, for without their encouragement, support, and guidance, I would not have reached this far.

Ndinotenda Amai! Ndinotenda Baba! Translated from Shona (my mother language) this means, Thank you, mom! Thank you, dad!

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CHAPTER 1

INTRODUCTION

Dissertation Purpose

The current business environment presents complex challenges to the theory and practice of human resources management (HRM) globally, including the United States. This dissertation applied systems thinking to HRM as a preferred methodology for understanding complex challenges. I described and applied systems-informed methodologies, approaches, frameworks, and tools using a case study of a healthcare organization as the basis. I also compared the epistemology, i.e., method of understanding and method of intervention of the prevailing approach followed by HRM professionals including HRM professional organizations to a proposed approach I labelled *Systemic Human Resources Management (Sys HRM)*. I argued that classical management theories that provide the basis for traditional analytic mindset do not address the increasing complexity that is affecting organizations, the formulation of their challenges, and the way they create operating business models in a highly volatile, uncertain, complex, and ambiguous (VUCA) context.

While I appreciate that there are emerging scholarly literature that apply systems thinking to parts of the HRM function and that there is a general understanding by HRM that current problems and opportunities are complex (SHRM, 2019), I argue that from a general HRM practice and operational point, systems thinking is not the prevailing mindset. I posit that there is a mismatch between prevailing HRM problem solving and decision-making methodologies, tools, and approaches against a complex context. I present that when navigating complex

situations, organizational leaders generally and HRM leaders must shift from an analytical purview to a systems-thinking mindset for organizational sustainability.

Dissertation Structure

In Chapter 1, I present an overview of the current reality within traditional Human Resources Management (HRM) theory and practice, the domain in which I have spent my professional life. I put forward a problem statement where I reiterate the limitations of using prevailing HRM methodologies against an increasingly complex context. I present my argument for how to respond to this challenge; namely, by formulating a novel approach informed by systems thinking that I label, Systemic Human Resources Management (Sys HRM). I conclude the chapter with research questions, based on which I provide answers to the differences between traditional HRM methodologies and approaches against systemic HRM methodologies and approaches that I present as relevant in the current complex context.

In Chapter 2, I present the Literature Review in which the research problem is contained and from which I draw the responses to the research questions. My review includes the relevant scholarly and practice literature that supports the RBV approach to HRM. I also include the relevant scholarly and practice literature that supports the proposed Sys HRM approach.

In Chapter 3, I provide the background of the healthcare organization which I use as the case-study. I present how the prevailing Resource Based View (RBV) approach to HRM frames and addresses the challenges and problems of this organization. I also present the RBV and classical management informed methodologies, tools, and decision-making processes.

In Chapter 4, I describe the methodology that I followed to respond to the research questions. Central to this chapter is the reframing of the HRM for the healthcare organization case-study using systems thinking and the methodologies and tools informed by this alternative approach to HRM thinking and practice.

In Chapter 5, I present my findings based on comparisons between prevailing HRM problem formulation and problem-solving methodologies, decision making approaches, frameworks, tools, and scholarly literature against Sys HRM methodologies, approaches, frameworks, and tools. In the last Chapter 6, I provide concluding remarks.

Overview

The resource-based view (RBV) is one of the prevailing traditional approaches to HRM theory and practice that organizations use to understand and analyze company resources to establish competitive advantage, i.e., the edge a company has over its competitors (Michael, 2020). However, in this dissertation I argue that the traditional analytic mindset does not address the increasing complexity that is affecting organizations, the formulation of their challenges, and the way they create operating business models. I also argue that when navigating complex situations, organizational leaders generally and HRM leaders should shift from an analytical purview to a systems-thinking mindset.

While there has been increasing interest in the acceptance of complexity science (Rapuano et al., 2021) and systems thinking (Jackson, 2019) as legitimate and useful approaches to understand, navigate and address challenges of organizational leadership (Rosenhead et al., 2019), team management (Diaz-Fernandez et al., 2020), project management (Sapir, 2020), organizational change (Lowell 2016), and health service (Thompson et al., 2016), the same cannot be said

of the holistic HRM function. Whereas there is some emerging scholarly literature that applies systems thinking to parts of the HRM functional areas such as human resources strategy and performance management (Uysal, 2017), career development (Rapuano et al., 2021), and organizational structuring (Cabrera et al., 2020), change management (Hanner, 2018), and employee relations (Ingram, 2021), systems thinking is not the prevailing mindset within the whole HRM field of practice. While there is a consensus among HRM leaders that problems and opportunities are complex (SHRM, 2019), there is a mismatch between problem solving and decision-making methodologies, tools and approaches compared to the complex context.

Cabrera et al (2020) supported this position and posited that the prevailing approach to *thinking about* challenges in the everyday world is linear, anthropocentric, mechanistic, and ordered (LAMO). An article by Jody Michael Associates (2021) presented *linear* thinking as analytic, methodic, structured, and rational purview that follows a logical thinking style where the process moves forward like a line with a starting point and an end point, where the brain makes simple straight connections in sequential order. Within an organization, a good example is the organization structure known also as organization chart or organogram developed, implemented, and maintained by HRM leaders. This is representative of linear thinking in that there is a straight line of sight of reporting relationships, for example, from the Chief Executive Officer to Chief HR Officer to the HR Business Partner and down to the HR generalist position.

According to the Oxford Dictionary (2021) *anthropocentric* refers to giving regard to humankind as the central or most essential element of existence. In a corporate setting, the resource-based view primes people as the main source of an organization's competitive advantage. For example, the former Xerox chief executive

officer, Anne Mulcahy, like many HR leaders and CEOs, contended that employees
are the most critical asset of an organization (Barney et al., 2021). The term,
Mechanistic when applied to mindset views situations from a routine or automatic
way, without human thought, and the assumption is that events occur mechanically.
An example would be the work arrangement in a healthcare setting wherein HRM
defines roles with clear routines that employees follow strictly as documented.
Ordered means employees perform duties in line with specific guidelines, rules, and
procedures. Cabrera et al (2015) argued that the prevailing LAMO way of thinking is
a mismatch with the situations we encounter in the everyday world that globally
businesses describe as VUCA.

In 1987, the United States Army War College coined the VUCA model to
describe the global changes occurring after the Cold War. Bennett and Lemoine
(2014) presented VUCA as descriptive of an array of new concerns and challenges
facing the world, characterized by unprecedented changes, both helpful and harmful,
that shifted the workings of the world dramatically away from the course they had
followed even in the recent past. That prompted leaders to take on new
responsibilities of guiding humankind into the unclear future. The author added that,
volatility is closely related to instability, where there is high likelihood of a given factor
to change quickly, frequently, and/or significantly. As for *uncertainty,* Bennett and
Lemoine (2014) presented that it means unpredictability, leaving no one exactly sure
of what will happen next, or the results for a given decision, despite any amount of
research or predictions. Next is *complexity,* where the author posited that it refers to
a state of being difficult to understand. He argued that complexity ties up all the other
elements of VUCA and the relationships between these factors. The last one,
ambiguity refers to the state of unclearness which implies that there are no clear

traits, and business is working under unknown conditions. Against a VUCA context,

using LAMO mindset will not yield desired results. I presented the mismatch between

LAMO thinking and VUCA reality in Figure 1.

Figure 1. Mismatch between LAMO and VUCA

Source: Cabrera, D. and Cabrera, L. (2020), Retrieved from:
https://blog.cabreraresearch.org/systems-thinking-in-a-7-images

Cabrera and colleagues outlined characteristics of the VUCA world, which

Starr (2020) agreed with as networked, with interdependent and interrelated complex

parts that form the whole. They contrasted the VUCA contextual background against

the prevailing thinking that they argued was linear, human-centered, mechanistic,

ordered, and perceives categories and hierarchical order.

Prevailing HRM thinking and the practices and methodologies derived from

LAMO thinking represent classical management sciences and human behavioral

views that emphasize reductionism (Ackoff, 1994; Starr, 2020). Reductionism means that in-order for management to understand problems and opportunities they should reduce situations into elements, or parts, analyze them, and then put the parts together to arrive at innovative solutions (Rapuano, et al., 2021). Jackson (2019) agreed to the mismatch between LAMO thinking and VUCA reality and presented that a problem in a complex context or when coping with a complex problem, trying to analyze it into separate parts (the word 'analyze' means break down into small parts) is ineffective because the parts are interdependent. Furthermore, when an HRM problem means the parts are people, they are not only volatile, but also purposeful with their own often conflicting interests. This kind of complex problem solving which defies deconstruction is what Ackoff (1994) and Cabrera, et al., (2020) stated as systems thinking, and they argued that it requires a way of thinking, methodologies, and tools for decision-making and problem-solving that are different from the prevailing LAMO thinking.

The dissertation acknowledged the mismatch and gap between the prevailing VUCA context compared to the prevailing mindset within HRM characterized as LAMO thinking, and the decision-making and problem-solving, methodologies, approaches, and tools informed by this mode of thinking. I contend that HRM must evolve and adopt Systemic Human Resources Management (Sys HRM)[1] when addressing complex challenges in a complex context. The dissertation respects the prevailing HRM methodologies, approaches, and tools as suitable under what Snowden and Boone (2008) and Starr (2020) described as a complicated context where the context is ordered, understandable, and the future is predictable. The

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[1] I acknowledge the contribution by Professor Gerald Midgely (2021) who on October 4th suggested the name change from my originally proposed Complex Human Resources Management to Systemic Human Resources Management (Sys HRM).

reality, however, is that an increasing number of problems encountered are in a different context, one in which the world has become highly unpredictable, marked by significant rapid changes in socio-economic, technological, and ecological environment, and this has rendered the prevailing HRM strategies, methodologies, approaches, and tools ineffective (Rapuano et al., 2021). For this reason, I agree with Jackson (2019) who presented "systems thinking as the only appropriate response to complexity" (p. xix).

I present Sys HRM as an alternative approach to formulating, understanding, and managing complex human resources challenges under a complex environment. My view is that Sys HRM is a framework from which leaders can draw complementary methodologies and tools for the class of problems that are legitimately complex. My central argument in this dissertation is that when the context is ordered and structured and the challenges encountered are simple or complicated, HRM thinking should continue to develop and use prevailing classical management and resource-based views, methodologies, tools, and approaches. However, when the situation is unstructured, unordered, volatile, uncertain, ambiguous, and complex, the HRM mindset must change to Sys HRM from which leaders develop and use systems-based methodologies, approaches, and tools.

Sys HRM acknowledges that for many problems confronting HRM currently, the contextual environment is overly complex and may not be understandable (Starr, 2019). Under complexity, my argument is that HRM should frame such problems as systemic and located within larger containing systems. Shifting mindset from analytic to systems thinking enables the HRM professional to focus less on the individual parts separately, and more on the interactions, interdependences, patterns, and system characteristics that when understood and addressed with a systems-based

problem-solving methodology, will improve, or optimize the whole system and not merely the parts (Ackoff, 1994).

To assist HRM leaders to deduce whether the problem or opportunity is complex, I use the Cynefin framework which, according to Snowden (2005), "allows executives to see things from new viewpoints, assimilate complex concepts, and address real world problems and opportunities" (p.3).The framework suggests that problems may be located within differing contexts that could be ordered and well-structured and would fall within the simple/obvious or complicated domains, or the problems could be unordered and poorly structured and would fall within the chaotic or complex domains. Leaders must "act-probe-sense-respond" to solve complex and time-critical problems characterized by complexity (Lane, et al., 2021, p.1).

Through the Cynefin framework, I agree with Starr (2020) that some challenges can be complicated and ordered, and therefore would need prevailing HRM approaches to deal with them. However, Starr (2020) argued that other problems are complex, meaning that they are unordered, and not fully definable or understandable (even by experts) with parts that are non-linear and interactive, and these challenges require a systems mindset that navigates, scans, and seeks patterns and structures that lead to an approach, option or new design that emerges from the interaction of many ideas, experiences, and events.

This dissertation used a case study of a healthcare organization to argue for HRM evolution from RBV and classical management sciences to Sys HRM against a complex context.

The prevailing approach adopted by HR theorists and practitioners is that HR management is critical for performance sustainability and people are a source of competitive advantage to an organization. This approach is in line with the resource-

based view (RBV) (Barney et al, 2021; Boxall & Purcell, 2000), which provides that

strategic human resources management (SHRM) is central to the development of

competitive advantage, and so positions HRM in a critically significant role within the

organization. In alignment with this, the Society for Human Resources Management

(SHRM, 2019) specified that the HR functional role includes strategic oriented

activities, administrative and operational tasks. SHRM is the professional

organization for HRM professionals with more than 575 chapters, and more than

300,000 members in 165 countries worldwide.

Regardless of the type of business, in the RBV perspective, the primary focus

of HRM concerns mechanical and linear processes of acquiring, developing, and

retaining talent (SHRM, 2019). Organizations consider people as the metaphoric

engine that drives an organization to grow, excel and succeed or fail (Hunter,

Saunders, & Simon, 2006). The RBV premises are that if the HR management

function *gets it right*, the opportunities for creativity of HR professionals are endless

(Hunter et al, 2006).

While I agree with SHRM and the authors that claim that people are critical for

an organization, I differ in that under complexity, organizations cannot claim that

people are the most critical asset, and that HR are the main source of competitive

advantage. Instead, against a complex and chaotic context, people are just but a

part of other critical parts like information technology, finance, marketing, and key

stakeholders that are both within and outside of the organization, which are all

interdependent and interconnected such that one decision in one part affects a full

range of other parts that form the holistic organization. Therefore, organizations can

not single out people as the most critical source of competitive advantage. Under

complexity, all other interrelated parts that form a holistic organization are critical for sustainable business performance.

To remain relevant as a part to other parts that form the holistic organization, HRM must evolve to embrace new ways and methodologies. Using the prevailing HR tools and methodologies, against a contextual background of VUCA social and business values and operations that make it increasingly challenging to predict the consumer, workforce, and business environment of the future, Ralph, (2006) questioned the current capacity of the HR function to *get things right*. According to Bolton (2018) HRM leaders fall short by pursuing symptomatic fixes in the form of the latest generic best practice models and applying a one-size fit all approach to HRM, thereby ignoring the unique circumstances and requirements of their business. This diminishes the level of HRM strategic involvement and influence and makes them look for more quick fix solutions (Bolton, 2018; Jackson, 2019). Examples of generic quick fix solutions include the balanced scorecard, value chain analysis and total quality management (TQM), which according to Gharajedaghi (2011) is concerned with control and process, to which Bob and Hummerbrunner (2011) added results-based management or management by objectives which are neo-classical approaches concerned with functions (Gharajedaghi, 2011). These approaches according to Jackson (2019) are quick fix solutions, characteristic of the classical management theories that emphasize the need to forecast, plan, organize, lead, and control. The author maintained that whereas these assumptions are suitable in a stable and well-structured context in which problems may be complicated, they are wrong prescriptions in a complex context where problems are poorly structured, and the contextual environment is uncertain and unpredictable.

As noted by Starr (2020), if organizational leadership does not recognize that a problem's context is complex and mistakenly applies traditional (complicated) improvement methods and tools, these efforts will fail and can make the problem worse. This is because a problem in a complex context is qualitatively different from one that is in a complicated context. As explained by Goldstein, Hazy and Lichtenstein (2010):

> Until recently the differences between complicated and complex were not well understood; as a result, they have often been treated in the same way, as if the same process should be used to "deal with" situations (or concepts) that are complicated or complex. Business schools justified this by treating organizations as if they were machines that could be analyzed, dissected, and broken down into parts. According to that myth, if you fix the parts, then reassemble and lubricate, you will get the entire system up and running. But this is exactly the wrong way to approach a complex problem (p. 371).

The complex nature of leadership challenges, coupled with a complex business environment has broadened recognition that different management approaches are necessary for distinct types of problems rather than 'one-size-fit-all' approach (Lane et al., 2021). For HRM, I affirm the use of the Cynefin Framework (Snowden & Boone, 2008) that "allows executives to see things from new viewpoints, assimilate complex concepts, and address real world problems and opportunities" (p.3). According to Lane et al., (2021), the Cynefin framework outlines consistent cognitive approach that offers the leadership team an ability to urgently apply correct actions to a given situation using the framework that emphasizes on leaders to "act-probe-sense-respond" (p.1) to solve complex and time critical emergency scenarios presented by the VUCA environment.

The fundamental assumption of classical management theory is that there is a level of predictability and order exists in the world. However, as circumstances change and become more complex, the prevailing approaches meant for simple and complicated contexts fail. I agree with Jackson (2019) who discredited the so-called best practice HR approaches and standards that under complexity, they provide temporary relief or sometimes even making things worse. Priem & Butler (2001) criticized the RBV for being vague and tautological and that it is difficult to operationalize the approach empirically (Delery,1998). These criticisms allowed a new perspective to emerge based on Complexity-Based View (CBV). Complexity theory posits "that some events, given our knowledge and technology, are unknowable until they occur, and may indeed be unknowable in advance" (Schneider & Somers, 2006, p. 354). According to the CBV, relationships in complex systems, such as an organization, are non-linear and consist of "interconnections and branching choices that produce unintended consequences and render the universe unpredictable" (Tetenbaum, 1998, p. 21)

According to Bolton (2018), when faced with complex problems or opportunities, HR leadership instead of hunting for best practices and generic models, should shift their mindset to systems thinking methodologies which tailor approaches to be situationally specific to their organization's strategic and business challenges. He emphasized the need for HR professionals to re-examine and reposition the function's purpose, develop and deploy new core competencies informed by systems thinking and the complexity-based-view that are relevant in a complex environment. Richmond (2018) agreed that systems thinking requires mastering a whole new package of thinking skills. He asserted that in using systems thinking approaches to problem solving and decision making, one must first specify

the problem or issue to explore or resolve and then construct hypotheses to explain the problem and evaluate them using systems thinking models. Once one discerns content with a workable hypothesis, Richmond (2018) added that, it is only then that the HR leadership should communicate new-found clarity to others and begin to implement change. In addition, Bolton (2018) emphasized that this shift of first framing and understanding a problem using systems thinking, then, second, evaluating its implications with appropriate systems-informed methods and tools requires support from the organization.

Against the current environmental realities, it is imperative that HR repositions itself to be adaptive by adopting systems thinking. Yawson (2016) through a leadership research, put an apt description of the current context that:

The world is operating in a century of complexity, unprecedented interconnectivity, interdependence, radical innovation and transformation, and unforeseen new structures with unexpected new properties … There is a battle for the soul of leadership … a profound divide in philosophical understandings – in the deep meanings – regarding what constitutes the nature of leadership and the research enterprise around it (Uhl-Bien and Ospina, 2012). This is because they have developed from contrasting philosophies of science, that is, contrasting answers to the ontological and epistemological questions that reflect the assumptions researchers bring to their work (Uhl-Bien and Ospina, 2012). The ontological justification of the linear approach to leadership has been the dominant premise on which leadership research has been conducted. However, starting from the early 1990s, there has been an emerging paradigmatic shift to the nonlinear epistemology of practice and the effect on 21st century organizations (p. 262).

Statement of the Problem

The Society for Human Resources Management (SHRM) presented a global crisis in which they contended that "the world itself is a system in which changes in one part can affect other parts" (SHRM, 2019). Besides shifting global economics and changes in government power, they stated that climate change due to rising levels of carbon dioxide and other gases do not recognize political borders. Added to this are pandemics defined as contagious infectious or viral illness that spreads (SHRM, 2019). The most recent is the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), known as Covid-19 (UN Report, 2019). Other contextual influences include increasing global climate change which scientists attribute to "the human expansion of the "greenhouse effect" warming that results when the atmosphere traps heat radiating from Earth toward space," (Intergovernmental Panel on Climate Change (IPCC, 2014), disruptive technological changes, and multi-generational differences. This qualifies the current environmental context as highly VUCA.

Worldwide, the business, working and commercial environment in both private and public sectors has altered dramatically in the last two decades, (Hunter, Saunders, & Simon, 2006). The National Academies of Sciences, Engineering, and Medicine on applications of social and behavioral sciences for national security, reported that, in many respects, the operational landscape for current systems and organizations is complex (Katina & Calida, 2017). Leaders across the globe are facing significant complex challenges not only around HR management at the workplace, but across all functions. Tainter (1988) described the 21st century as a period of gradual deterioration or depletion of the resource base, due to humans' mismanagement, and rapid loss of resources resulting from environmental

fluctuation or climatic shifts. Starr, (2020) added that this view is consistent with "messes" (Ackoff, 1981) and "wicked problems" (Rittel & Webber, 1973). To this scenario Starr (2020) emphasized that, add ambiguity, emergence, and interdependence. Faced with this background, HRM cannot apply tools targeted for simple or complicated situations and expect sustainable breakthroughs.

Cabrera and colleagues outlined characteristics of the VUCA world, which the authors agreed with Starr (2019) that they are networked, with interdependent and interrelated complex parts that form the whole. They contrasted the VUCA contextual background against the prevailing thinking that they argued that it is linear, human-centered, mechanistic, ordered, perceives categories and hierarchical order. Cabrera et al., (2015) presented that there is a gap between the prevailing complex environmental context against the prevailing mental models, methodologies, approaches, and tools that are based on complicated contexts. My argument is that adoption of systems thinking will close that gap.

The dissertation used a case study of a homecare agency to demonstrate the difference between RBV and systems thinking and further argued that under complexity, systems thinking provides sustainable problem-solving solutions and helps in decision-making. Schneider et al., (2019) stated that homecare agencies are experiencing "a growing demand for care workers to look after rising numbers of frail, older people worldwide" (p.96). The authors noted that the growth in demand for services does not match the supply of labor because "the current and future availability of this workforce is a source of concern both because demand is increasing due to demographic factors and because the job is deemed to be undesirable, while turnover is high" (Schneider et al., 2019, p. 96). The situation is worsening against a backdrop of current and projected increases in demand for

home care services. For example, in the United States, according to the Bureau of Labor Statistics (2021), "overall employment of home health and personal care aides is projected to grow 34 percent from 2019 to 2029, much faster than the average for all other occupations." From a traditional mindset perspective, HRM perceives the imbalance between supply (of caregivers) and demand (for services) as a dependent variable on the heightened risk of exposure to the Covid-19 pandemic. This perspective of viewing problems from a cause-and-effect is in line with the Cynefin simple and complicated domains.

Against a low level of supply of caregivers in relation to increased demand, HRM proffers solutions based on assumptions of cause-and-effect. Under complexity, my argument is that this approach provides piecemeal solutions that only deal with symptoms of the problem instead of the actual challenge on hand. Examples of quick-fix and piecemeal solutions which HRM justifies as best practice solutions to attract and retain caregivers include increasing incentives, paying referrals sign-on-bonus, and conducting employee engagement surveys. These solutions provide great breakthroughs in a stable environment where workers are passive participants (Jackson, 2019). However, against a complex context, the prevailing HRM approaches yield temporary relief and a false resemblance of success.

From a systems purview however, the imbalance between demand and supply of caregivers is characteristic of an emergent systemic element within a complex system composed of interdependent and interrelated parts that form the holistic organization, based on factors that could be within or outside of the organization. A complex system implies increasing lack of clarity and situational understanding. Emergent characteristics bring unique complexities to HRM at the

workplace. These characteristics include inability to deduce behavior, structure, or performance from constituent elements. In addition, there are systemic interdependences that HRM cannot ignore. This implies mutual influence among different complex systems in which the state of a system influences and is in turn influenced by the state of interconnected systems (Starr, 2019). The most important issue for HR management, rather than the oft-quoted ones of changing demographics and employee commitment, is how the function should organize itself to tackle the questions that the complex business environment asks of it (Hunter et al, 2006). Faced with a business landscape involved with dynamically interacting systems (and subsystems) with behaviors that are difficult to predict (Starr, 2019) HR management cannot continue to provide what Jackson, (2019), described as 'quick-fix' solutions by concentrating on parts of the problem situation instead of the whole.

HR Interests, Education, and Career Development

To enable readers to appreciate the importance of context on the differences between the prevailing RBV and my proposed Sys HRM approach to human resource management, I outline my career history and education. This offers insight into my personal evolution and why this shift has influenced my selection of this dissertation topic.

Born in Zimbabwe more than fifty years ago, with my father deceased in the early 1980s, my mom single-handedly raised me and my seven siblings. In line with the *great man* theory of leadership that focuses on identifying innate qualities and characteristic of an individual (Northouse, 2018), colleagues always describe me as a people-person. Towards the end of my first year in high school, three weeks before my father died, on his hospital bed, he told me that I should work hard so that I can become a nurse. He spoke from a point of view of understanding my intrinsic personality traits and behavior. Whilst I agree with Northouse (2018) that certain individual characteristics come about in accordance with

the skills approach, I also believe in the trait theory assumptions that I was born with personality attributes of love, respect, and compassion for humanity (Northouse, 2018). This is because my interest in HRM comes naturally to me. Despite that I did not become a nurse, I studied Sociology at university level and earned a Bachelor of Sociology with honors degree. Out of all the subjects I studied, my best course was Human Resources Management. Over the years, I advanced academically, earning a technical HRM diploma and a Master of Business Leadership qualification. I learned the technical, human, and conceptual skills (Northouse, 2018) which, combined with my natural people attributes, enhances my HR leadership competencies.

I have authored two books, both with an underlying theme on HR management. The first, *My Boss, the Bully – A chilling revelation into Corporate Human Resources Management* (2018) is based on real corporate people management situations where I unearthed practical vices shrouded in HR leadership and I provided key lessons on how organizations can align HR practices for success. In the second book, *Hands off! Overcoming Sexual Harassment in the Workplace*, (2019), I affirmed that sexual harassment is a real menace within organizations. I flagged practical cases and provided key lessons, unearthing cultural perceptions and biases on this vice, and guiding on how individuals can handle sexual harassment from a victim's perspective as well as the organization as the employer, from a sexual harassment administrative point aligned to the International Labor Organization (ILO) viewpoint and labor law provisions. The content of the two books showcases in-depth, my passion to have fair labor practices, free from any form of discrimination, a workplace world where everyone feels respected and protected regardless of position, age, background, gender, race, disability, and sexual orientation. These are core elements of the humanist premises that underlie HR theory and practice.

In recognition to my humble contributions to the HR profession, the Institute of People Management in Zimbabwe, following a thorough assessment, conferred me with the Chartered Human Resources Professional certification in 2018. In addition, I humbly received professional awards from other professional institutes in Zimbabwe and India.

My professional and personal experience in HR leadership and management began in Zimbabwe, spreading across other Southern Africa countries including Botswana, Lesotho, eSwatini and Malawi. I began my professional work as an administrative HR officer and grew to head the HR function in medium to large scale global both for-profit and not-for-profit companies. I have led the formation of companywide strategic goals, facilitated, and assumed oversight HR responsibility on strategy execution for successful goal achievement. I have worked in product based and matrix structured organizations as well as collaborated development of and operated under a shared services structure (SHRM, 2019). I have developed standard operating procedures and processes, participated in complex projects including organizational culture transformation, did competence and skills analysis and developed gap closure plans. In Southern Africa, I witnessed the HR function transform from a simplistic record keeping, form filling enforcement and administrative function, to its recognition as a key business strategic partner, enabling delivery of strategic objectives.

Zimbabwe was in recession even before Covid-19. According to the African Development Bank (2021), in 2019, the country's economy had contracted by 6.0% with output falling because of economic instability, removal of subsidies on maize-meal (the country's staple-food), fuel and electricity prices, suppressed foreign exchange earnings and excessive money creation. Against this contextual background, I formulated a problem: how would I best be able to meet my professional interests and family responsibilities within Zimbabwe's VUCA context? I

identified only two options: remain and struggle in Zimbabwe under stringent economic conditions, deprived of a decent means of survival, or leave, i.e., relocate to a context where the economy was stronger, with better healthcare and education, and a higher standard of living. I chose the latter and in January 2019 decided to move to the United States.

Based on my experience working in global professional firms, like PwC Audit and Assurance, and KPMG International, I appreciated that relocating to a developed economy required me to update my understanding of labor relations laws and cultural prescriptions based on the United States HRM perspectives. I enrolled with the Society for Human Resources Management (SHRM) in the United States for certification as a Senior Human Resources Professional, which I attained.

Well before relocating to the United States, I was making applications for opportunities in HR. I spoke with more than a dozen recruiters without yielding positive results. This came as a surprise to me given that in Zimbabwe, my situation was the opposite: employers *head-hunted* me for HR leadership positions. Engaging with recruiters in United States revealed to me differences in talent acquisition approaches and methodologies. These include style and structure of the resume, approach, and methodology of what to emphasize, the length of the resume, and the differences in English word usage and the power of networking and connections especially referrals for senior level positions. All these are HR aspects that I had to learn and adapt to in-order to secure employment.

My first job was as an HR Director within a home healthcare organization. I had a short stint there before a colleague referred me to my current employer where I am the Executive Director. Unlike in Zimbabwe, I got the job before I put in an application. In my current role, as the Executive Director, I have oversight

responsibility on finance, HR, marketing, IT, and operations. My inclination and approach however, defaults to my well-learned HR management. A comparison of HRM in the United States and Southern Africa revealed to me that 99% of the HR function duties and responsibilities, and methodologies, practices, approaches, tools, and frameworks as well as scholarly literature are the same except parts of the labor relations laws and regulations. For example, on employment contracts, the United States has 'at will' employment contracts which means that an employer can terminate an employee's employment contract at any time, for any reason, allowable before the law without the employer incurring legal liability except for reasons listed by the National Labor Relations Act (NLRA) as unduly interfering with an employee's labor rights like discrimination. The same applies to the employee who is free to leave a job at any time for any reason with no adverse legal consequences. Contrary, the Zimbabwe Labor laws prohibit employers to terminate 'permanent' employees' contracts (employees whose contracts have no end date) without permissible reasons as stated in the Labor Relations Act (LRA). If the employer terminates the contract for no reason, he is liable to compensating the employee (retrenchment package) for breach of contract. The employee can terminate employment contract at any point provided they give the employer enough notice as specified within the employment contract.

Over the years, experience taught me that the challenges within the operational environment exert significant pressure on HRM in any organizational setting, including the United States. According to SHRM, Learning System (2019), "HR processes and activities must be aligned with the organization's overall strategy and business partners' needs to create a strong and more strategically focused organization" (p.7). SHRM (2019) presented the HR role as strategic, administrative, and operational. To execute the function effectively

HR managers must understand the perspectives, challenges, and objectives of both internal and external stakeholders and how these impact the organization's abilities to deliver successful results.

The traditional HRM duties include human resources operating model strategy planning for both long- and short-term goals, organizational design and effectiveness, talent acquisition, and retention, workforce transformation, learning and development, talent and performance management, operational processes development and execution. The agency exposed me to directing the full employee lifecycle in the United States, overseeing change management initiatives, values entrenchment, policies and procedures development and oversight, employee relations management, compensation and benefits administration, conflict resolution, negotiation, diversity, equity, and inclusion management, supporting succession planning, and human resources information systems management.

My style of employee supervision is in line with the Human Relations Theory of Management that focuses on the importance of underlying human needs and motivations in driving workplace performance (Smither et al, 2016). I agree with Smither et al (2016) that employee needs such as belonginess, inclusiveness and recognition determine workers morale, and that morale influences retention and performance. My belief is that informal or formal social group experiences within workplaces such as team effort, social and psychological needs coupled with economic incentives, communication, and power, motivate employees to perform at higher levels (Omodan, Tsotetsi & Dube, 2020). Aligned to McGregor's Theory Y, (SHRM, 2019) my position is that "workers seek professional and personal growth, they like challenges and the manager's job is to provide opportunities for workers to reach higher levels of performance" (Smither, Houston & McIntire, 2016, p.23).

My experience has been that successful HR management is dependent on factors that range from leadership style, micro and macro environmental aspects, and culture.

While my HR leadership styles include authentic, transformational, servant, and adaptive styles (Northouse, 2018), following my newly acquired systems thinking understanding, I now embrace systems thinking and design thinking leadership competencies. In addition, while my beliefs and experiences represented and were supported by traditional and longstanding thinking, premises, approaches, theories, and practices of organizational leadership generally and HR leadership and management specifically (Starr, 2020), I now understand that under complexity, traditional RBV and classical management approaches and methodologies do not work. Hence my interest in educating my readers on Sys HRM as a preferred perspective against a VUCA context.

Doctor of Management in Strategic Leadership (DMSL) Approach and Evolution

Assuming I was moving to the U.S., I applied for admission doctoral programs, and I received three offers. I accepted an offer from the Doctor of Management in Strategic Leadership (DMSL) program at Thomas Jefferson University in Philadelphia. I subsequently moved with my family approximately 12,500 km (7800 miles) to a new city and country.

The language on the website for the DMSL approach, curriculum and methodology met my expectations. The most intriguing and unique part of the DMSL program description was the mission, "to develop strategic leaders who effectively navigate complex global contexts and environments by creatively integrating and bridging interdisciplinary approaches (Student Guide, 2019 p.3). I related well with the explanation of strategic leadership as "an emergent property of an organizational system that manifests in individuals as the capacity to anticipate, envision, maintain flexibility, and empower others to voluntarily make effective decisions and to create strategic change as necessary," (p.3). This appealed to my situation, as an

immigrant to the United States, filled with curiosity to learn how the HR management function operates in a first world economy. I preferred in-person classes as these would enable me to network with leaders in United States and from other countries. I would appreciate leadership perceptions on global human resources management perspectives, and big picture views on business, cultural drivers, communication, employee relations management, operational trends, standard operating procedures, and processes.

What I had not anticipated in the DMSL program was the differentiation between formulating problems that were complicated versus those that were complex, and the importance of thinking both analytically and systemically. Indeed, I had never in any of my formal education in Sociology and HR, nor in my professional practice of HR, read or heard about the nature, methods or tools of systems thinking. My exposure to this new way of thinking and practicing which was significantly different from my classical and traditional way of thinking about HRM forced me to reconcile my understanding and professional practice.

Before I proceed with synthesizing the available literature on systems thinking and complexity around HRM, allow me to digress for a moment. This digression is essential to assist my readers to appreciate the mindset-evolution journey I underwent and pitfalls to be avoided when attempting to adopt a systems thinking mindset.

In the entirety of my doctoral studies, despite the numerous systems thinking examples and approaches presented to me in class by our professors who included Professor Lawrence Starr and Professor John Pourdehnad, it never dawned to me that in order for me to come to full grips with 'systems thinking', I needed a 'complete' change of mindset, that included, changes in most of my deeply ingrained

and lifelong lessons, viewpoints, and mastered 'habits' around HRM. It was critical that I unlearned habits of perceiving things by way of categories, individual parts, linearity, organization structures and long-term strategic planning based on classical management sciences when faced with a complex situation (Ramage, et al, 2009).

The systems thinking mindset-change journey led me to shake off what I now perceive as 'bad habits', that blocked my mind from perceiving things from a systems thinking mental models (Cabrera, 2015) which bad habits included, practicing reactive planning instead of interactive planning (Ackoff et al, 2006) which meant that learning to plan backward from where I want to be to where I am now. I had to cease the habits of thinking in parts instead of wholes (Jackson, 2019) perceiving departments/divisions instead of interdependences, interrelatedness, and interconnectedness of parts of the containing system (Starr,2020) inside and outside of the organization and considering context in problem solving and decision making within defined boundaries (Cabrera, et al., 2015). Thinking in systems meant that I had to change my world view from impossible, to possible, from analytical thinking (reductionism) mindset to systems thinking (expansionism) (Ackoff, 1994; Starr, 2020), from thinking based on cause-and-effect to ability to trace patterns, and to differentiate problems and opportunities based on simple, complicated, chaos and complex contexts.

Thinking in systems required me to perceive HRM strategic, operational, and administrative processes (SHRM, 2019), differently from my usual methodologies and approaches. For example, at the backdrop of a VUCA context, I needed to cease thinking of performance management from a cause-and-effect, predictable point of view, e.g., the balanced scorecard (which I have always held in high esteem) with its prescriptions of balanced goal alignment and forecasting (Niven, 2006). I now

understand that while the balanced scorecard as a cause-and-effect performance management approach becomes constrained under complexity, it works well within a simple or complicated context. I learnt that under complexity, where the environment is turbulent (Jackson, 2019) and there are operational disruptions that have a multiplier effect, causing unexpected imbalances, which renders the balanced scorecard inappropriate (Jackson, 2019). I now understand that the complexity era faces tremendous changes and turbulence, and therefore leaders must incessantly juggle around more than a dozen twists and turns making future predictions impractical. Jackson (2019) disguised traditional HRM approaches as "quick fix solutions that flounder in the wake of interconnectedness, volatility and uncertainty" (p. xix).

My *Deja vu* moment was when my dissertation supervisor, Professor Starr responded to my email (2021) which I had written to him frustrated that there was limited literature on systems thinking specific the whole HRM function. Part of his response read: "Regina: Think in systems: Don't focus on the problem; look outside it for the source of answers" (Starr, 2021). This took me out of my mental model 'self-imprisonment,' and I started the journey of thinking in systems, opening my mind to a completely new way of perceiving the world and HRM. Immediately, I took a cue from Stroh et al, (2018) who emphasized that a systems thinking mindset has the courage to ask distinct kinds and tough questions. For example, according to Stroh et al, (2018) HRM questions are (1) What do HR leaders need to change their mindset and to adopt the HRM evolution to systems thinking? And (2) What does HR require to sufficiently influence systems thinking mindset to enable transformation to **systemic leadership style** and **systems thinking culture**? My definition for systemic leadership implies thinking in wholes, interdependences and

interrelatedness of parts that form the whole. It means a leadership that can deduce

patterns and use those to make decisions and solve problems under complexity. In

addition, it is a leadership that drives and entrenches **systems thinking culture.**

Systems thinking culture implies a culture that makes decisions in consideration of

interrelatedness, interdependences, and interconnectedness of parts that form the

holistic organization.

In this dissertation, I draw from social and organizational complexity-based

theory to propose an additional mode of thinking. This retains for ordered and

structured challenges, the current HRM premises and ways of thinking that are

based on analytical tools of cause-and-effect, which approaches problem solving

and decision making from a knowable point of view analyzing independent, linear,

and additive parts suitable for a complicated context (Starr 2019). But for challenges

within the VUCA context, I propose a shift to **Systemic Human Resources**

Management (Sys HRM) perspective. The Sys HRM perspective acknowledges that

the contextual environment is overly complex and may not be understandable.

Within the Sys HRM perspective, problem solving, and decision-making rides on

systems thinking that according to Starr (2019) perceives a problem as a system

within larger containing systems. Inside a systems thinking mindset, the focus is on

interactions, interdependences, patterns, and system characteristics that will improve

or optimize the whole system and not parts.

Through the lens of systems thinking, I challenge the RBV that singles out

people and their qualitative performance aspects as a competitive advantage. This

includes the notion by the former Xerox chief executive officer, Anne Mulcahy, who

contended that employees are the most critical asset of the organization (Barney et

al, 2021). Under complexity and based on systems thinking viewpoint, this notion is

misleading. My argument is that HRM is only a part of the whole, which whole system is formed up of a lot of other parts like marketing, operations, research and development, finance, risk management and information technology functions within the larger containing system (the organization) which larger system is yet a part of another system (international organization) and yet another larger system (global organization), that holistically together influence or impact the strategic direction and competitiveness of the organization.

Dissertation Contributions

This dissertation contributes to the growth, development and sustainability of global HR research and practice by examining how the prevailing Resource-Based-View (RBV) contrasts with the emerging Complexity-Based-View (CBV). The RBV view is a business model that analyzes company resources to establish a company's competitive advantage, i.e., the edge a company has over its competitors (Michael, 2020). These resources include the characteristics of the company's resources, deciphering whether they are tangible or intangible, heterogenous or immobile as well as whether they are valuable, rare, inimitable, and organized or non-substitutable (VRIO/VRIN) (Michael, 2020). A recent issue of *Journal of Management*, Barney et al., (2021 p.3) affirmed that "outside of strategic management, the resource-based view has made the most impact within human resources management field". They argued that most executives share the same RBV on HRM and they quoted the former Xerox chief executive officer Anne Mulcahy whom they said contended that, "employees are a company's greatest asset" (p. 3) and that they are an organization's competitive advantage, and therefore, to gain competitive advantage, leaders want to attract and retain the best people, provide encouragement, stimulate and make them feel that they are an

integral part of a company's mission (Barney, et al., 2021). While acknowledging the relationship between HRM and the RBV, Gerhart & Feng (2021) called for more investigation of human resources related heterogeneity, best practices in HRM, micro foundation issues, competitive parity, and company specific HRM

Given my years of experience managing HR in global firms, I can attest that the RBV perspective is the main domain for HRM and added to the RBV is the alignment of HRM methodologies and practices to classical management sciences. My argument is that using traditional approaches to manage people at the workplace presents a noticeable gap where HR leaders depend on what Jackson (2019) described as classical management methodologies, approaches, and frameworks to solve problems which does not work under complexity. The study sought to fill the gap that Cabrera et al., (2015), echoed was with the prevailing "mental models that are out of alignment with reality" (p.199). The dissertation challenged the applicability of RBV approach to HRM in a complex context and insisted on adoption of Complexity Based View (CBV) which emphasizes systems thinking as a complement and not replacement for analytical thinking (Gharajedaghi, 2011) and he emphasized that (p.8)

> There has been a profound shift "in our assumption regarding method of inquiry, the means of knowing from analytical thinking (the science of dealing with independent sets of variables) to holistic thinking (the art and science of handling interdependent sets of variables). The complementary nature of these two dimensions is at the core of both understanding how the game is evolving and identifying the drivers for change.

Gharajedaghi (2011) contended that interactions among four foundations of systems thinking are the keys to development of an effective systems methodology

as a complement to analytical thinking. These include sociocultural systems, holistic thinking, operational thinking, and design thinking. The dissertation focuses on sociocultural systems combined with systems methodology to apply a holistic thinking perspective to HRM, and I presented **Systemic Human Resources Management (Sys HRM)** as the preferred approach under complexity. This presentation distinguished the two schools of thought, informing and educating readers on the differences between prevailing HRM and Sys HRM, and provided guidelines on how to navigate HRM in a complex, unpredictable environment. Jackson (2019) recommended systems thinking as the only appropriate solution to complexity.

Intended Audience

The dissertation targets leaders in all forms of organizations including profit, not-for-profit, and government. HRM leaders, professionals and scholars will benefit from understanding the relevance of systems thinking in a complex context. Universities will draw key learnings on the need to reconsider the HRM curriculum as well as leaders in HRM affiliated organizations and institutions like SHRM.

Research Questions

I formulated the following research questions:

1. How does formulating organizational challenges using prevailing HR approaches differ from formulating the same challenges using systems thinking?

2. What methodologies and tools are appropriate for each method of problem formulation?

3. What methods and tools of intervention are appropriate for each approach to problem formulation?

CHAPTER 2

LITERATURE REVIEW

Historical Background of HRM Evolution

My presentation for HRM evolution is part of one too many. Historically, worldwide, the HRM function has been evolving, from as far back as in the 1920s with the Hawthorne Studies (Smither et al, 2016) that culminated into several human relations theories. Human relations theories hold that attitudes, relationships, and leadership styles play a key role in the performance of an organization. Another evolution came about with the birth of classical management theories. Classical management theories include bureaucracy management theory (Weber, 1905), that emphasized the necessity for a power structure while Administrative Theory (Fayol,1916) underscored the need to plan, organize, control, and manage for goal achievement. Taylor (1909) established scientific management theory where he argued that there is one best way to doing something, which was at odds with the HRM approaches of management by objectives (MBO), continuous improvement and business process reengineering (Smither, et al, 2016). Furthermore, Ackoff (1994), argued that within a complex context, classical management theories that emphasize one best way to manage tasks will not work as under complexity, there is no one-size-fit-all approach to problem dissolution (Ackoff, 1994).

Besides classical management sciences, HRM methodologies, approaches and tools are also derived from contingency theories (Lawrence et al, 1967) which according to Smither et al, (2016) are the most modern and are premised on the fact that organizational success results from each organization adapting to the unique qualities in its environment, which is made up of elements that operate outside the boundaries of the organization. Contingency theories focus on the external factors to

the organization and contend that organizations change to meet the demands of

external environmental factors like competitive forces and new legislature, these

demands require internal changes as well (Smither et al, 2016; Galbraith, 2008;

Scherer et al, 2010). Current HRM strategic planning practices of political, economic,

social, technological, environmental, and legal (PESTEL) and strengths,

weaknesses, opportunities, and threats (SWOT) analysis fulfil requirements of

contingency theories. While contingency theories are a recent development like

systems thinking, the major difference between the two schools of thought are that,

according to Piyu (2019) contingency theories focus on the external environmental

factors and the need for the organization to adapt and adjust to the external

changes, whilst systems thinking focuses on the internal environment and the

subsystems of the organization, and considers interdependencies and interactions

among subsystems, and further contends that the interaction with the external

environment constantly changes (Meadows, 2008) Systems thinking does not down

grade classical management sciences (Piyu, 2019) but rather provides a

complementary view which Meadows (2008) affirmed as quite revealing. Meadows

(2008) presented an analogue on the different lens that people view things. The

author argued that a person can see things through the lens of the human eye, or

the lens of the microscope, while others seen through the lens of a telescope. In the

same vein, HRM can perceive things through the RBV view, or classical

management science or systems thinking lens depending on the nature and context

of the problem, which could be simple, complicated, chaotic, or complex (Snowden,

2005).

Systems thinking is aligned with the complexity-based view wherein the

approach emphasizes understanding of context, before deciding or solving problems

(Meadows, 2008). Otherwise, according to Pourdehnad (2020) there is risk of solving either symptoms of the problem or the wrong problem with a wrong decision. According to Jackson (2019) systems thinking rose to prominence in the mid twentieth century. The author provided six sections which he argued that they provided different visions of where the main sources of complexity arose. He added that the sections provided "the most significant attempts that have been made to construct a systems approach capable of improving the practice of management." (p. xxvi) The six sections of the systems approach to complexity include technical, process, structural, organizational, people, and coercive. All these approaches have an impact on HRM in organizations. Ramage et al (2009) and Jackson (2019) provided systems thinking categories that include Early Cybernetics, General Systems Theory, System Dynamics, Soft and critical systems, Later Cybernetics, Complexity Theory and Learning Systems. In this dissertation I use Soft and Critical Systems, Complexity Theory and Learning Systems to compare and differentiate traditional HRM approaches to problem-formulation and decision-making from systems thinking approaches. I argue that it is time for HRM to evolve and adopt systems thinking given the chaotic and complex context.

Environmental Complexity

Globally the prevailing environmental context has become VUCA, characterized by worsening complexity, which in turn **'*complexicates*'** (innovative word I created to describe increasing levels of or worsening complexity) decision-making and therefore adds to increased difficulty in problem solving, not only for HRM leaders but all leaders across all spectra. VUCA acronym stands for volatile, uncertain, complex, and ambiguous. In 1987, the U.S. Army War College described the multilateral world as VUCA after the cold war (Giles, 2017). Ever since then,

VUCA is used to describe contexts for many other domains beyond the military (Starr 2020).

      VUCA presents the new normal to the environment. Mark (2021) described VUCA as concerned with an array of emergent challenges facing the world, characterized by unprecedented changes, both helpful and harmful, that shifted the workings of the world dramatically away from the course they had followed even in the recent past. This environment demanded that leaders take on new responsibilities of guiding humankind into the unpredictable future. The author added that, *volatility* is closely related to instability, where there is high likelihood of a given factor to change rapidly, often, and/or drastically. As for *uncertainty,* Bennett et al., (2014) presented it as referring to unpredictability, which means that people are neither sure of what will happen next, nor knowledgeable of the results for their decisions, regardless of the amount of research done or predictions made. Next is *complexity,* where the author posited that it refers to a state of being difficult to understand. He argued that complexity ties up all the other elements of VUCA through the interrelationships between these factors. The last one, *ambiguity* refers to the state of unclearness (Bennett et al., 2014) which implies that there are no clear traits, and business is working under unknown conditions. An example of a VUCA context would be related to the global impact of the Covid-19 pandemic.

      While the original reference to VUCA was depicting a 'gloomy' contextual environment, Elkington, et al., (2017) contended that leadership in a VUCA context, does not necessarily mean that the world is bad, unstable, or "out of control" (p.2). Instead, the authors argued that VUCA refers to specific dynamics of the 21st century that impact on trade and industry. They elaborated that (p.2):

These dynamics are being driven by a marriage of six mega-trends:
globalization, technology, digitalization, individualization, demographic
change, and the environmental crisis. These dynamics are creating disruption
while triggering innovation and change at a breakneck pace. In this way,
VUCA is becoming the "normal context" for leadership and requires leaders to
adopt appropriate perspectives and skill sets.

Against this background therefore, Meadows (2008) argued that the way we
analyze or use rational ability to trace direct paths from cause to effect, or to look at
things in small understandable pieces, to solve problems by acting on, or controlling
the world around us, will not work. The Harvard Business Review (2007) and Ackoff
(1994) added to the argument by contending that when it comes to decision making
and problem solving, applying a 'one size fit all' approach and sticking to so called
best practices and continued use of the prevailing HRM tools, methodologies and
approaches present a mismatch of solutions against complex HR challenges in a
contextual environment that is also complex.

Ackoff (1994) emphasized that managers do not encounter problems that are
independent of each other but experience dynamic circumstances that consist of
complex systems of rapidly changing problems that interact with each other (Ackoff,
1994). A *complex system* is a 'whole' made up of many interacting agents which are
each managed by some rule or force which relates to their behavior in each time
contingently to the states of other parts (Meadows, 2008; Allen, et al., 2011). Within
a complex system, Meadows (2008) agreed with Ackoff that managers do no solve
problems, instead, they manage *messes*. Ackoff, et al, (2006) defined messes as "a
set of interacting threats and opportunities" (p.5) facing the organization.

Based on the prevailing environment, HRM has become part of a complex system. HR leaders deal with multiple agencies within the organization (Cabrera, et al., 2015) like other functions that include marketing, finance, operations, information technology, projects, and research, and development, as well as, different employee levels, with varying and diverse demographics and backgrounds. Externally, Cabrera et al., (2015) added that HRM accounts for multiple scales (e.g., from local to global), facing many different views and viable solutions, conflicting views on desired outcomes and uncertainty about the possible effects of the decisions or actions. In addition, Rapuano et al., (2021) affirmed that the rapidity of technological progress, and its adoption by organizations, exerts pressure on HRM through constant changes on requirements for professional development, the need to upskill, manage changing nature of employment relationships, and the emergence of unplanned pandemics (i.e., the COVID 19 pandemic).

In a research report that Oxford Economics and SHRM partnered with SAP SuccessFactors (2020), to understand realities of a post pandemic workplace for both employers and employees in ten global countries including the United States, the findings acknowledged that the pandemic redefined work and altered workplaces for millions of Americans, forcing leaders to adapt to unexpected disruptions, anticipate future challenges and plan for strategic changes. The report further affirmed that companies around the world are bracing for even more disruption.

The current environmental complexity calls into question use of existing HRM practices that are based on traditional linear thinking models. With the growing uncertainty and unpredictability, (Pryor, et al., 2007; Rapuano, et al., 2021) application of complexity theory to HRM can offer positive results to organizations. Complexity theory posits "that some events, given our knowledge and technology,

are unknowable until they occur, and may indeed be unknowable in advance"
(Schneider & Somers, 2006, p. 354). While HRM has operated in a classical and
RBV paradigm of known and knowable (Starr, 2019) issues and challenges, the
context has migrated to complexity with a lot of unknowns and unknowable (Bolton,
2018), complex situations and scenarios. Against this background, leaders (including
HR) must devise ways and methodologies that enable organizations to deal with an
increasingly VUCA environment.

While worldwide, the business environment holds the VUCA framework with
high regard, the US Army College faculty have discredited VUCA as being overused.
Kan, et al., (2018) via a podcast, critiqued the term VUCA as not only devoid of real
meaning, but also that it did not accurately describe the U.S. in the 1990s. They
argued that to treat the period as though it is somehow exceptional is morally wrong.
Regardless of the critique however, it is my contention that at the wake of an
insurmountable VUCA business environment, I agree with Jackson (2019) that
"systems thinking is the only appropriate response to complexity" (p. xix).

Cynefin Framework - Approach to Complexity

Challenged by a highly disruptive VUCA environment, the need for HRM to
adapt quickly to both macro and micro environmental factors while still achieving the
desired organizational goals is critical. At the backdrop of more than a dozen
unknowns and unknowable (Starr, 2020), I use the Cynefin approach by Snowden
(2005) to guide leadership decision-making based on context. Lepmets, et al., (2014)
provided that the Cynefin framework originated in the practice of knowledge
management with the aim of helping managers to "break out of old ways of thinking
and to consider intractable problems in new ways" (p.167). The authors presented
that the word "Cynefin" is a Welsh word that means "habitat," which includes notions

of the multiple experiences that people have in various aspects of their lives, which

are a complex mixture of personal, socio-cultural, and workplace-based factors.

Snowden and Boone (2007) authored an article in The *Harvard Business Review*

(2007) where they presented Cynefin as an approach that "allows executives to see

things from new viewpoints, assimilate complex concepts, and address real world

problems and opportunity" (p.3). Lepmets, et al., (2014) supported the position that,

the Cynefin framework is a sense-making framework that helps management make

sense of complex systems by explaining behavior, decision-making, and practices in

terms of people's patterns of multiple experiences, personal, cultural, and work-

based.

      According to Snowden and Boone (2007), the US Defense Advanced

Research Projects Agency used the Cynefin framework to counter terrorism. The

authors further provided that the Cynefin framework is currently a key component of

Singapore's Risk Assessment while over the years the framework has evolved

tenfold. For example, in Canada a pharmaceutical company used the framework to

develop new products while it has also been used by a provincial government as an

employee engagement tool in policy formulation. The Cynefin approach allows a

leader to sense which context they are in so that they can not only make better

decisions but also avoid the problems that arise when their preferred management

style proves to have shortcomings (Snowden & Boone, 2007; Starr, 2020). The

framework underscores leaders to "act-probe-sense-respond" (Lane, et al., 2021,

p.1) to solve complex and time critical emergency scenarios presented by

complexity. Figure 2 presents the Cynefin Framework.

Figure 2: Cynefin Framework (Starr, 2019; resultsbased.org, 2016)
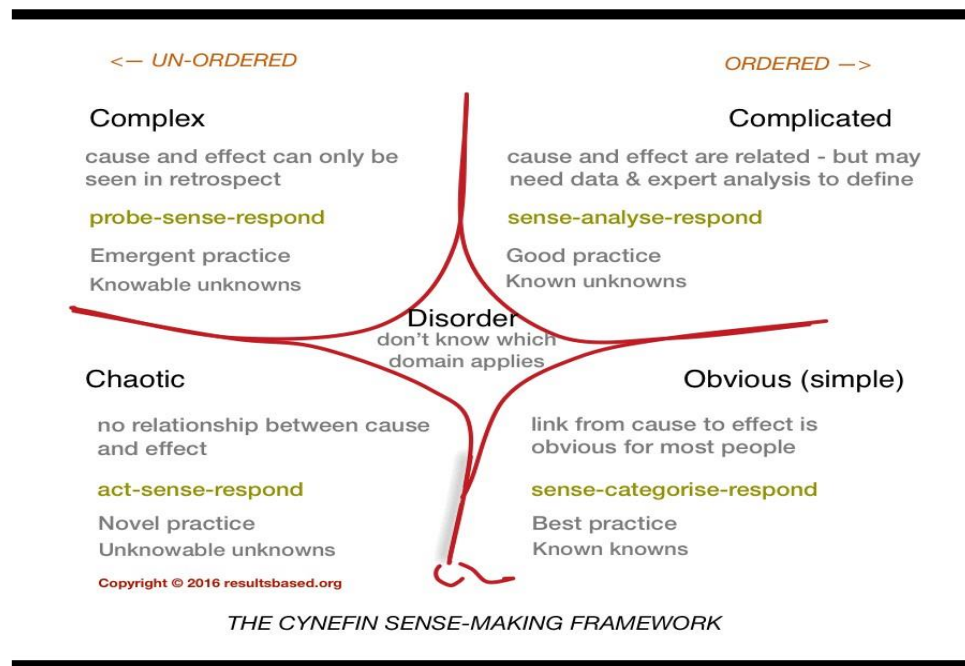
The Cynefin framework provides challenges broadly on a continuum from ordered (well-structured) to un-ordered (unstructured) within which are specific contextual categories of problems and opportunities. There are well-structured HRM challenges that are obvious and require simple solutions to solve them. Starr (2019) noted that simple problems have known knowns. Therefore, leaders should sense the problem, categorize it, and respond as appropriate guided by best practice (Snowden et al, 2005). For example, an employee who misses a mandatory training program. HRM simply engage the employee and request him/her to undertake the training the next time it is available and until then the employee will not participate in activities that require its completion. This will maintain compliance with policy, a best practice decision.

However, other challenges can be complicated even in an ordered context with known unknowns (Starr, 2019). Lepmets, et al., (2014), referred to this complicated domain as the domain of 'good practice' where there may be multiple competing appropriate solutions and cause and effect are related. Leaders sense the

problem, analyze it using data, but acknowledge that experts or others may know or can find a solution even if the leader is unable. Lepmets, et al., (2014) noted that leaders must show a willingness to respond to the expertise of others to generate optimal solutions. An example of a complicated situation is when an organization intends to upgrade their payroll software system due to gaps identified with the current software. This requires technology experts and payroll specialists to guide the process of assessing technical capabilities and functionalities of the system proposed by each vendor. Expert input is critical for decision making on the software that meets the user requirements. According to Lepmets, et al., (2014), this indicates an assumption of operating in the simple or complicated context where HR collects data, analyzes it based on isolated elements without understanding how these elements relate to one another and therefore proffers isolated solutions. It is within the obvious/simple and complicated contexts that the prevailing HRM methodologies, approaches and tools are suitable. The stability of the environment fits the linear, mechanistic, generic, best practice, and standardized processes and solutions that are currently in use by HRM. Within this kind of ordered context, processes and solutions apply analytic thinking (Meadows, 2008). Indeed, the meaning of analyze, from *Greek,* means to break down into small parts; to deconstruct.

When the context is unstructured and unordered, problems and opportunities exist in domains of chaos and complexity, traditional methodologies and frameworks become wrong prescriptions (Jackson, 2019). When the context is chaotic, there is no relationship between cause-and-effect, there are unknowable unknowns (Starr, 2019) presenting novel practices and therefore leaders must act, sense, and respond with the hope the problem becomes complicated and manageable.

Against a complex context, cause-and-effect appear only in retrospect by establishing patterns (Meadows,2008). Leaders use emergent practices (Lane, et al., 2021) to address knowable unknowns (Starr,2019) hence they follow the probe, sense, and respond process. Starr (2019) added that complex problems are often not fully definable or understandable (even by experts) with parts that are non-linear and interactive, and these challenges require a systems mindset that navigates, scans, and seeks patterns (Cabrera et al., 2015) and structures that lead to an approach, option or new design that emerges from the interaction of many ideas, experiences, and events (Ackoff et al., 2006). Starr (2015) collaborating with his colleague John Pourdehnad created a comparison table between ordered and un-ordered contexts with challenges that were obvious/complicated and complex/chaotic (Table 1).

Table 1: Comparisons Between Obvious/Complicated versus Complex/Chaotic Approaches

Characteristic	Obvious or Complicated	Complex or Chaotic
Governance	Management	Leadership
Mindset (thinking framework)	Analytic and rational	Systemic and intuitive
Control	Predict and forecast	Anticipate
Focus	Parts and details	Relationships
Perception	Data analysis (collect the dots)	Pattern recognition (connect the dots)
Problem solving	Analytic, deductive, and inductive	Design and abductive
Approach	Reduce	Expand

The chaos and complex domains are the areas that cause the most difficulty for HRM. While the simple and complicated domains are heavily control and process oriented (Lepmets, et al, 2014) and guided by clearly defined predictions, procedures and goal alignment with known end goals/deliverables, the complex domain presents

the biggest challenge for HRM. This is because, as stated by Lepmets, et al (2014), the complex domain involves collaboration of people, open-mindedness, and innovativeness in problem-solving, and goal internalization in decision-making which the simple and complicated domains do not cover. Furthermore, as shown in Table 1, un-ordered context problems require a mindset that is systemic and intuitive, pattern recognition proficiencies, and an approach to problem solving characterized by expansive and abductive 'what if' thinking.

An example of a chaotic scenario is the September 11 terrorist attacks by the militant Islamist terrorist group al-Qaeda against the United States on the morning of Tuesday, September 11, 2001, where 2996 people lost their lives (National Museum of the U.S. Navy, 2021). It is beyond imagination what the leaders of companies that had offices within the World Trade Center had to swiftly decide on to deal with the chaotic situation. These leaders included those from the federal government to all the other organizations accommodated in the World Trade Center, including HR leaders, who had to act-sense-respond, making very swift decisions, under extreme pressure and constrained conditions, with no time to reflect against a fiercely turbulent, intensely unpredictable, and highly uncertain context.

An example of a complex scenario would be the emergence of Covid-19 in October 2019, a once-in-a-century pandemic where the vicious viral spread knew no borders. In the United States, while at national level, the federal government instituted measures to contain the spread including lockdowns, the devastating impact of the pandemic called for leaders nationally and within organizations (HRM included) to probe-sense-respond as they dealt with elevated levels of variability and unpredictable problems. At its peak, the virus left a trail of destruction worldwide, with the United States experiencing millions of people falling-ill, hundreds dying,

massive company closures, unprecedented loss of income, traumatic loss of loved ones, inexplicable levels of pain, constrained hospital facilities, burnt-out medical professionals, trauma, and the list goes on.

The fifth domain is the disorder, which implies that leadership have not yet deduced which domain the problem or challenge falls under. Snowden and Boone (2007) asserted that within the disorder domain, leaders are not clear on which of the four contexts (simple, complicated, chaos and complex) is predominant.

While research and experimental management approaches took place, leading to emergence of learning organizations (SHRM, 2020) which culminated in the discovery of covid-19 vaccines, both the macro, and micro leadership levels, boosted safety precautions, called for compulsory wearing of masks, and use of hand sanitizers, isolation for those exposed, and remote working. This ushered completely unexpected and unplanned ways of doing business. The HRM function had to maneuver quickly, tracing patterns, and responding appropriately to a complex situation, which required new ways of doing business. No leader had ever envisaged this kind of alarming turn of things. And this is characteristic of leading under complexity.

Besides understanding the context based on whether it is simple, complicated, chaotic, or complex, under a complex context HRM leaders must consider the uniqueness of their organizations' operations (Ramage, et al., 2009) in managing messes within their organizations. Never has there been any calls to consider what Ramage, et al., (2009) echoed as principles that govern the behavior of entities that are intrinsically and widely different including different forms and sizes, unique missions and visions, government departments, not-for profit and for-profit. In addition, the authors contended that HRM should consider unique

mandates of their organizations which include differences between private entities, partnerships, or government entities. They added differences in the type of industry, like mining, healthcare, educational, and telecommunications. Against a complex business environment and based on the unique challenges and decisions that organizations must make, Nathan, et al., (2014) argued that it has become a futile exercise to use generic strategic HRM models and approaches in a complex environment. This is true against an understanding that the prevailing paradigm or fundamental conceptual approaches under which the organization operates determines its trajectory, strategies, rules, as well as culture and success of HRM initiatives (Rapuano, et al., 2021).

Application of Systems Thinking on HRM

Globally application of complexity science and systems thinking has grown dramatically over the past two decades (Rapuano, et al., 2021). Systems thinking provides a firm and scientifically solid foundation from which to understand human organizations by recognizing complexity patterns and interrelationships rather than focusing on surface level assumptions (Allen, et al., 2011; Sapir 2020). There has been increasing interest in the acceptance of complexity science (Rapuano, et al, 2021) and systems thinking (Jackson, 2019), as legitimate approaches to leadership (Rosenhead, et al., 2019), team management (Diaz- Fernandez, et al., 2020) project management (Sapir, 2020), organizational change (Lowell 2016), employee relations management (Ingram, 2021) and health service (Thompson et al., 2016). This is not the prevailing mindset of HR leaders.

While research on systems thinking around HRM is ongoing, scholarly literature on systems thinking has been limited to parts of the HR functional responsibilities, for example Uysal, (2017) authored an article on systems thinking

focused on performance management and career development functions as key to HRM strategy. The author suggested a cognitive placement method in career planning to find star employees. In addition, the article recommended that the company implements performance management system for star employees as well as establish a career development program for star employees (Uysal, 2017). This argument by Uysal is devoid of basic systems thinking prescriptions as he recommended categorization of employees based on some assessment procedure and recognizing them as star employees. He falls back to the HRM RBV and human relations theory prescriptions. This is not systems thinking. Ackoff (1994) asserted that thinking in systems implies that one looks at a problem as a system within larger containing systems, and the focus is on interactions, interdependencies, patterns, and system characteristics (Ackoff, 1994).

Another HR functional area is human resources development. Walley (2016) authored an article imploring on HR leaders to be systems thinkers. He stated that HR leaders can use the approach to manage organizations, various divisions, units, and teams, for optimal performance management where the organization is a system with elements that interact not only by the performance of individuals but by collective actions of the whole system. He gave an example of the public sector where he hinted on what he described as big gaps in knowledge regarding understanding both sides of the demand for services and supply of services equation. He contended that systems thinking is the answer to understanding this equation. Walley (2016), added that the barriers in systems thinking are due to the way the organizations have structures based on divisions and sub-divisions, each with its own manager, objectives, priorities, budgets and in most cases competing performance targets. This, he argued makes people focus on the piece of the puzzle

they are responsible for. This description is in line with classical theories, a further confirmation of misaligned methodologies in a VUCA context.

Walley (2016) presented that HR can lead systems thinking in an organization, citing that they have a better view of the organization and that they can initiate systems thinking through the processes they own like staff recruitment, onboarding, and performance appraisals. While I agree with Walley (2016) on the need for HR leaders to be systems thinkers, I disagree on the need to single out and separate HR leaders from the rest of the leadership team and everyone else within the organization. In a way, this gives an impression of viewing an organization based on specific categories and functions. Instituting a systems thinking culture is the preserve of all the parts and participants related to the organization purpose. Meadows (2008) agreed that the biggest challenge is getting organizations to understand the importance of a holistic approach to solve issues. The author argued that people issues are not isolated problems but are systemic causes that need to redress in collaborative ways. She gave an example within a government department, where she contended that HR focuses on employees, while another function takes care of government affairs, and another deals with community liaison, and yet another takes care of contracts management. She presented that her role as a consultant has changed and focuses on encouraging organizations to take a broader approach by understanding that all these elements need to be viewed in-terms of their interconnectedness, interrelationships as parts of a holistic organization. There is need to embrace holistic aspects in the same way healthcare (Walsh, 2015) and complex project management (Kilpatrick, 2006) have revolutionized the world of work via systems understanding.

Hanna (2018) authored an article on five tips for HR to drive successful change through systems thinking. The author argued that systems thinking can help HR to see an organization as a system that survives based on how well all parts align to the same purpose and avoid what he called, organizational change false-starts in the process. He presented the five tips as follows; the first he said is to identify the most critical stakeholders who are significant both internally and externally. Second is to define a set of outcomes that will win the commitment of each critical stakeholder group, and he emphasized that these should be only critical needs that make-or-break survival in the future. Third, he stated the need to map out a process to deliver the outcomes and identify which team members need to do what at each process. The fourth point he said was to provide the process team with information and training they need to add values to outcomes and lastly the need to secure feedback from the stakeholders, to establish a level of satisfaction with the outcomes.

Like most of the literature on systems thinking around the function of HRM, Ingram (2021) authored an article focused on employee relations management, in which he asserted that "employee relations are a human resources discipline concerned with strengthening ties between employers and employees" (p.1). He argued that systems thinking can provide a fresh perspective on employee relations management by allowing managers to understand the importance of employees as a vital system in the organization, instead of the prevailing view that categorizes employees as an expense through the lens of accounting. While I agree with the author that systems theory depicts that organization success is dependent on interrelationships, and interdependences between different subsystems, I differ on his conclusion that employees are "arguably the most valuable component of a

company" who make up vital subsystems within departments, work groups, business units, facilities, and individual employees. His conclusion is in line with the RBV that places employees as the main source of competitive advantage to an organization. From a systems thinking understanding, employees are only part to other elements that form the holistic system and should not be singled out as the most valuable.

The Government of Northwest Territories (GNWT) through their human resources information system called SAM PeopleSoft, outlined their approach to systems thinking. They reported that systems thinking is the driver of how everyone within GNWT is supposed to think about problems and strategies which is being a part of a larger system that has interrelated and interdependent parts. They asserted that employees of GNMT have an understanding that work done in one part of GNWT impacts a variety of other groups and projects, within and outside of GNWT. They implored on everyone to assess options and implications in new ways as they identify solutions as well as keep in mind the broader perspective, with an understanding on how current, short-term outcomes are "driven by long-term strategy" (p1) and vision. GNWT outlined behavioral scales to employees that include, linking operational activities to larger goals, seeing patterns, analyzing potential solutions, applying long term broad perspectives, incorporating patterns and interconnections, and understanding the impact of vision and connections. While I agree with the GNWT approach to systems thinking, I however stand by Jackson's argument that long-term strategic planning relies on there "being a predictable future environment in which it is possible to set goals that remain relevant into the foreseeable future" (Jackson, 2019, p. xix). Analyzing potential solutions by breaking down things into pieces and long-term planning provides short-term relief.

Based on the sparse available literature on systems or complexity applied to HR to review, it is evident that the prevailing scholarly literature on HRM is around individual sub-systems of HRM, with few approaches and methodologies based on systems understanding. Similarly, from a practice point of view, despite the singular discipline-based literature on systems thinking around HRM, organizations are lagging in entrenchment of systems understanding to the way they do business. Bolton (2018) argued that HR leaders undermine their success by favoring what he described as trendy generic solutions over unique innovation. He emphasized that because of the widespread adoption of standardized models by HR leaders across industries, there are more similarities than differences. He expressed concern by comparing two different organizations with different strategic positions, where one is based on product innovation and the other based on operational excellence. He argued that HRM tools, methodologies, approaches, and frameworks should not be the same given the different foci areas. However, the prevailing reality is that HR leaders use best practices and one-size fit all approaches, methodologies, frameworks and tools in decision-making and problem solving. Against complexity, these approaches fall short.

A system has elements that interconnect, and a central purpose (Dalton, 2019; Meadows, 2008). The authors asserted that the elements of a system are usually the easiest parts to identify because most are visible and tangible. Indeed, when the system is an organization or company, the easiest elements to identify (although there are other parts) are the people each of whom has a purpose for being part of the system, and each of whom also has multiple purposes and relationships with other parts outside the system. Dalton (2019) described the

workplace with parts that were managers, workers, computers, and buildings which altogether are interrelated to achieve a purpose.

Meadows (2008) noted that interconnections are often harder to see, and the system reveals them to those who look deeper. She posited that purposes or functions, are even harder to see and that the only best way to deduce these is via observing the system for a period. She agreed with Ackoff (1994) that systems nest systems within systems, leading to purposes within purposes. An example is the organization, with the various interrelated departments that each serves a purpose, like the HR function, and within the HR function there are functional sub-systems such as talent acquisition, talent management, talent development, employee relations management and change management. Each of these subsystems serves a purpose in relation to other sub-systems. Meadows (2008) argued that keeping sub-purposes and overall purposes in harmony is an essential function of successful systems.

In the same way that Hanner (2018) emphasized how well all parts of the organization align to the same purpose, Cabrera et al (2015) affirmed the need for a shared vision, mission, capacity, and learning (VMCL) and culture, across the holistic organization. The authors defined vision (V) as the desired state or goal, and that it is the purpose that gives meaning to life. The authors added that the organization's mission (M) refers to repeatable actions that help attain the vision, while capacity (C) refers to the systems that provide readiness to execute the mission and learning (L) is continuous improvement of system capacity based on feedback from the external environment. Cabrera, et al., (2018) argued that most organizations use the term vision and mission interchangeably, and that is wrong. The two terms mean different things but according to the authors, they share a connection.

The HRM function is part of other functions within the organization that serves a purpose. Ackoff (1994) presented organizations as "open social systems that have purposes of their own and are made up of parts that have purposes of their own and are parts of larger systems that also have purposes of their own, and these larger containing systems include other systems that have purposes of their own and all these purposes are relevant for successful business performance" (p.16). While SHRM (2019) presented that the primary focus of HRM concerns mechanical and linear processes of acquiring, developing, and retaining talent (SHRM, 2019), complexity of the environment has shifted linearity to non-linearity, mechanical to non-mechanical.

Against a complex context, Bolton (2018) asserted that HR need to re-examine and reposition the function's purpose and develop new competencies to remain relevant. I agree with the author that regardless of the purpose of the organization, "HR department must configure itself to be highly tailored and situationally specific to its organization's strategic and business challenges" (p.5). Instead of hunting for best practices and generic models, HR leaders should invest time in crafting more idiosyncratic approaches, in-order to provide evidence-based and value-driven people agenda (Bolton, 2018). By value-driven, the author implied, a unique value creation suited to the strategy, markets, customers, value chain, and the need for HRM to take on strategic responsibilities that include driver of innovation, a builder of lean thinking and practices and an advocate for systems thinking (Bolton, 2018).

Systems thinking derives from the understanding that the world is complex and may not be understandable, (Starr, 2019). In agreement, Cabrera, et al., (2015) contended that the real world works in systems that are complex networks of

interacting variables, often non-linear and unpredictable. Having a systems mindset

implies that one looks at a problem as a system within larger containing systems,

and the focus is on interactions, interdependencies, patterns, and system

characteristics (Ackoff, 1994). At its core, systems thinking provides that the wicked

problems (Ackoff, et al., 2006) we face within organizations are often attributable to

the mismatch between the way the real-world systems work and the way we think

they work (Cabrera, et al., 2015). Hence, Cabrera, et al (2015), posited that "systems

thinking is about building mental models that better align with real-world systems

than those created under a non-system thinking approach (p.35). For example, one

of the prevailing classical management approaches to HRM is job analysis which

can be defined as the systematic process for obtaining important and relevant

information about each distinct role played by one or more employees and includes

job description (JD) writing (outlining duties and responsibilities of the job) as well as

determining individual competencies required to be able to do the job (WorldatWork,

2006, SHRM, 2019). HRM guides the business through this process which they

claim enables the business to develop a job-worth hierarchy, document job

processes, assist in the development of a performance appraisal and helps identify

job families/classifications (WorldatWork, 2006, SHRM, 2019). Cabrera, et al., (2018)

argued that the prevailing hierarchical structures are contrary to the reality of

networked structures where they reflected a whole lot of other interconnections and

interdependences that are not reflected via the command and control, top – down job

descriptions and organization structure. Figures 3 and 4 show the comparisons

between prevailing organizational chart (linear mental model) versus networked

organizational chart (non-linear mental model).

Figure 3: Linear mental model (Cabrera et al., 2018, p.19).
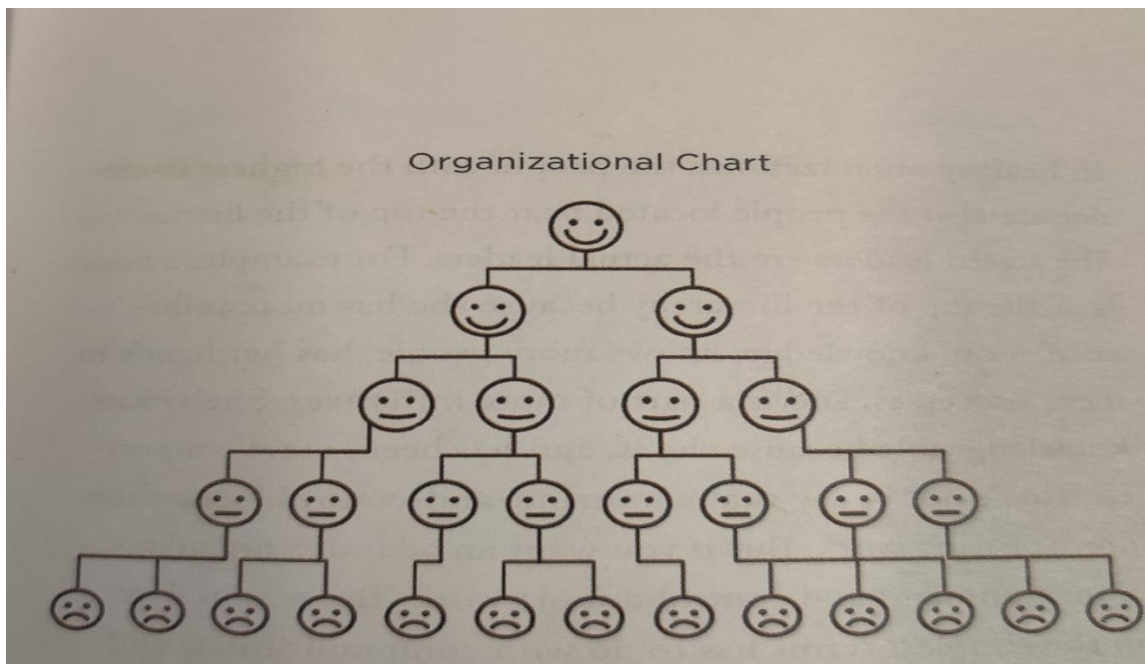
Cabrera et al., (2018) argued that when HRM thinks of an organization in a simplistic and linear hierarchical way as reflected in figure 3, that affects decisions, behavior, and work execution. This way of classifying jobs into categories belong to the RBV and classical management era where the environmental context was stable, and hence made it easy to group tasks and put them separately as part of each job description content. Starr (2020) argued that compartmentalizing jobs based on families/classifications ignores the fundamental provisions of systems thinking where the world-wide view is that there are interdependences and interconnections within and among jobs and workflows. Cabrera et al., (2018) supported this view by affirming that this way of structuring organizations reflects a command and control, top-down/bottom-up reporting against the reality of organizations being dynamic social networks as reflected in figure 4. However, Cabrera et al., (2018), was quick to say, "that's not to say that command-and-control hierarchies don't or can't work" (p.19), they work in a stable and predictable context. However, once the context moves to complexity or chaotic, that demands complex adaptive organizations,

which can navigate the complexity for sustainability. Command and control

structures will not work

Figure 4: Non-linear mental model (Cabrera et al., 2018 p.18)
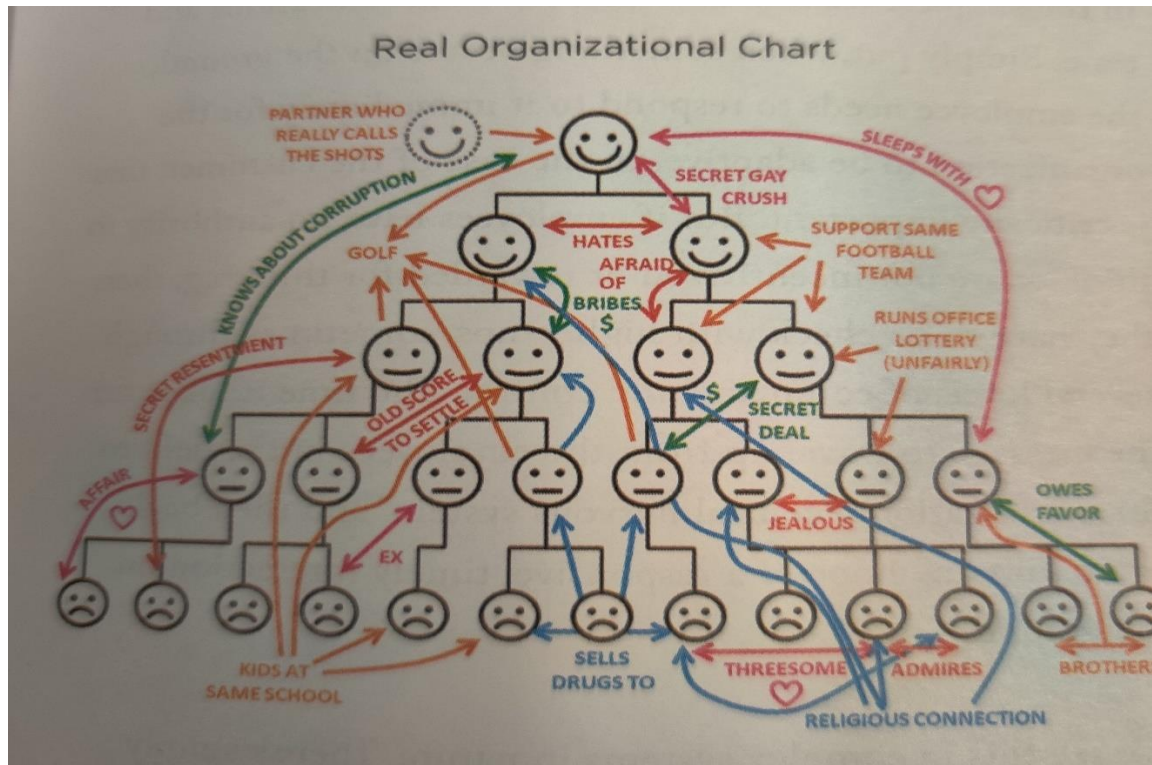
Figure 4 depicts deep intricacies hidden beneath the linear organization

mental model. Cabrera et al (2018) affirmed that in a social network "the nodes,

(things being connected) are people and the connections (lines) are the relationships

between people" (p.19).

Against a complex world, characterized by climate changes and its effect on

ecosystems, lack of long-term perspectives in socio-political and environmental

factors, global poverty, inequitable distribution of wealth, shortage of clean water,

global poverty (Cabrera, et al., 2015) and pandemics (COVID 19), HRM cannot

apply prevailing approaches, methodologies and frameworks and expect impressive

performance results. Ramage, et al., (2009), agreed that, to make sense of systems

thinking in relation to complexity, there is need to look at issues in terms of wholes

and relationships rather than splitting it down into parts and looking at each part in isolation. Ackoff, et al., (2006) added that performance of organizations depends more on how the parts work together than on how they work separately and that if leaders optimized the performance of the parts, they systematically suboptimize the performance of the whole. SHRM (2019) provided the role of HRM as strategic, administrative, and operational. The society added that HRM collaborates with other line functions to provide value adding services which include, HR strategy development and execution, organization structuring, staffing, (talent acquisition and retention), performance management, employee relations management, learning and development, compensation and benefits administration, human resources information systems (HRIS) administration, organization development, culture entrenchment, diversity, equity inclusion and change management.

While these functions are critical and value adding, the methodologies in use to execute them is what I challenge. For example, in a research carried out by Oxford Economics and SHRM in partnership with SAP SuccessFactors (2020), to understand realities of a post pandemic workplace for both employers and employees in ten countries including the United States, they suggested the next steps for HR leaders as they 'plan for years ahead' and presented that the findings expect major operational and strategic changes in the coming year. They argued that the HR leaders "may be overlooking critical long-term planning around employee reskilling" (p.1). While the report acknowledged that leaders face an array of challenges that have now taken on an unprecedented complexity and urgency to which they suggested that (p.1):

Dealing with these workforce challenges – including the need to navigate local realities, individual employee needs and the unpredictable nature of months

ahead – will require attention to long-term workforce planning even as continued disruptions make day-to-day operations more difficult than ever. Balancing these short-term and long-term imperatives will depend on HR having a strategic position among C-suite leaders.

My argument is that long-term planning is not feasible in a VUCA context and having a top position on the organizational hierarchy on its own does not yield desired results. Jackson (2019) argued that classical management approach that includes long-term planning is dependent on there being a predictable future environment, in which it is possible to set goals that remain relevant into the near future. He emphasized that "these assumptions do not hold in the modern world and classical management theory provides the wrong prescriptions" (p. xix).

It is my purview that there is need for mindset change to systems thinking, not only among HRM leaders, but with the rest of the leaders within the organization. Cabrera et al., (2015) concurred with Einstein, that the root crisis of humankind is our thinking, and that "a new type of thinking is essential if mankind is to survive and move forward" (p.12). Against complexity, HRM must shift from using prevailing approaches, methodologies, and models, and must innovate new models in line with systems thinking, which models work best against a VUCA context.

Next is Chapter 3, Case Study, where I present the details of the case of AgencyCare. In this description, I provide a comprehensive outline of AgencyCare's current methodologies, approaches, tools, and viewpoints around HRM. I describe that in the United States, the healthcare sector is highly regulated. Homecare organizations have multiple stakeholders with whose interests they must meet for smooth service delivery and regulatory compliance, otherwise they risk cancellation of the operating license requirements. These include the Federal government, the

Department of Health, Managed Care Organizations, Adult Protection Services, hospitals, rehabilitation facilities, patients, family members, and employees.

The HR function in AgencyCare plays a critical role to ensure stakeholder satisfaction, regulatory compliance, and uninterrupted service delivery by collaborating and working with other line functions assuming full responsibility over talent acquisition, onboarding, employee retention, performance management, compliance management, employee relations, change management, employee development, caregiver training, total quality management (TQM) and continuous improvement.

CHAPTER 3

CASE STUDY USING RBV HRM

Introduction

In this chapter, I provide the background and details of the healthcare

organization which I used as the case-study. I present the organization's HRM

challenges, problems, and decision-making approaches. I also present current HRM

methodologies, approaches, and tools used by the company for decision-making

and problem-solving.

Company Background

AgencyCare is a home healthcare, privately-owned, for-profit entity. The

owners, who established the agency more than ten years ago, are part of the

governing body. The agency is a licensed entity by the State's Department of Health

for Medicare and Medicaid services for both skilled nursing home health and non-

skilled non-medical homecare services. As part of affirming alignment of operations

to quality assurance standards, processes, and procedures to the Accreditation

Commission for Health Care (ACHC) quality provisions, ACHC assessed the agency

and the agency as meeting quality standards in 2021. As of December 2021, eighty-

five percent of the agency business is non-skilled, non-medical homecare services.

The agency works with various managed care organizations who credentialed the

agency to provide both skilled and non-skilled home health care services. As of

December 2021, the total staff complement stood at two-hundred employees.

AgencyCare: Vision, Mission, Values and Strategy Planning

The agency mission and vision statements are to meet the care and service

quality standards as expected by all stakeholders including patients and staff.

SHRM, (2019) defined a vision as a vivid, guiding image of the organization's

desired future, based on the future the organization hopes to achieve through its strategy. A mission statement specifies what activities the organization intends to pursue and what course management has chartered for the future, that is, a concise statement of the organization's strategy (SHRM, 2019). AgencyCare has a set of values that include professionalism, fairness, integrity, effective communication, and accountability. Values entail beliefs that are important to the organization that guide employee behavior (SHRM,2019).

In producing the vision, AgencyCare leadership followed what Jackson, (2019) described as classical management approach by developing a two-year vision, followed by strategic planning, to define key milestones annually that the agency would aim to deliver on. SHRM, (2019), asserted that HR leaders should have competencies to understand the vision of the organization because that helps in defining and supporting a coherent vision and long-term goals for HR that ensures fulfilment of strategic goals of the organization.

As part of educating new employees on the vision and mission of AgencyCare, all new joiners undergo orientation on the agency vision, mission, and values. In December 2020, the agency recrafted its strategic objectives for the next eighteen months ending June 2022. The strategic plan resulted in the budget forecast to the same period. This approach to business aligns with the classical management theory that emphasizes the need to plan, organize, lead, and forecast business goals into the future (Jackson, 2019).

Whilst the term strategy emanated from military perspectives where the overwhelming notion was about winning (Kay, et al, 2003), in business parlance, Bhattacharyya, (2019) argued that strategic management is involved with mechanisms towards attainment of competitive advantage (Barney & Hesterly,

2009). This agrees with the RBV that views competitive advantage as achieved based upon two contexts namely organizational (Miles, et al, 1978; Wooldridge & Floyd, 1990) or economic (Williamson, 1991, Hansen & Wernerfelt, 1989). Bhattacharyya, (2019) argued that the RBV advocates that possession of valuable, rare, in-imitable, and non-substitutable resources and capabilities led to competitive advantage. Similarly, AgencyCare believes that client service quality expressed through how the caregivers execute tasks, handle clients on a day-to day basis, communicate and promptly address client concerns, are key determinants of the agency's competitive advantage.

Strategy initiatives consist of two key components, Strategy Planning (SP) and Strategy Implementation (SI) (Bhattacharyya, 2019). As part of strategy planning process AgencyCare analyzes both macro (external environmental) and micro (internal business) factors using multiple traditional frameworks and approaches. One of the frameworks is the PESTEL framework (Figure 5) which according to Schuetz, et al., (2018) serves to analyze a company's macroenvironment that is, political, economic, social, technological, ecological, and legal factors. In a recent Journal of Higher Education Theory and Practice (2020), Heischmidt and Gordon contended that strategic planning should start with a thorough review of strategic environments impacting the organization's planning which is the PESTEL framework. The authors provided understanding of each of the PESTEL elements starting off with *political,* where they asserted that an organization needs to understand political dynamics impacting their strategic plans. An example could be change in political leadership that can result in change in government policies, which policies may impact the internal operations of the business. Next, they provided *economic* factors, which they argued would impact the organization based on economic stability, for

example, rate of inflation, interest rates, and fluctuating currencies. Next was *social* which they interrelated with culture, changing demographics, life-style changes, and distribution of wealth, and *technical* which they said provided exciting new opportunities, which included growth of social media, artificial intelligence, robotics and *environmental* which included climate change, pandemics like Covid-19, global warming, and energy consumption. Lastly was *legal* which they said centered on laws and regulatory provisions of the State, for example taxation, labor laws and employment liability and safety. All the PESTEL factors have direct and indirect elements that impact the operations of an organization.

This view of analyzing the external environmental factors is in line with the contingency theory that emphasizes that, the best structure and leadership for an organization is *contingent* on the relationship between the organization and its environment (Lawrence and Lorsch, 1967; Smither, et al., 2016). Contrary to the views of the contingency theory, Greenhood and Miller (2010) and Smither, et al, (2016) argued that the complexity of modern organizations, as well as the transnational nature of others, have made analysis using traditional contingency theory more complicated while some researchers (Van de Ven, et al., 2013), suggested refinement of contingency theory to embrace complexity approaches.

By using the PESTEL framework, the agency analyzes current environmental realities, the results of which they use to either adjust operations or forecast future trends.

Figure 5: PESTEL Framework

P	E	S	T	E	L
- Government policy - Political stability - Corruption - Foreign trade policy - Tax policy - Labour law - Trade restrictions	- Economic growth - Exchange rates - Interest rates - Inflation rates - Disposable income - Unemployment rates	- Population growth rate - Age distribution - Career attitudes - Safety emphasis - Health consciousness - Lifestyle attitudes - Cultural barriers	- Technology incentives - Level of innovation - Automation - R&D activity - Technological change - Technological awareness	- Weather - Climate - Environmental policies - Climate change - Pressures from NGO's	- Discrimination laws - Antitrust laws - Employment laws - Consumer protection laws - Copyright and patent laws - Health and safety laws

Source: https://www.business-to-you.com/scanning-the-environment-pestel-analysis/

Figure 5 presents different components for each external environmental factor. The elements have a bearing on internal organizational operations.

AgencyCare uses the SWOT analysis tool (Figure 6) for strategy development. SWOT is an acronym that stands **s**trengths, **w**eaknesses, **o**pportunities, and **t**hreats and the agency uses the tool to establish the current positioning of the organization by comparing internal factors (strengths and weaknesses) to external factors (opportunities and threats). According to Speth (2020) while SWOT analysis allows organizations to "prioritize factors in terms of expected impact, whether they are positive (strengths and opportunities) or negative (weaknesses and threats), SWOT analysis tool has no intrinsic value unless it is used for strategic purposes" (p.7).

Figure 6: SWOT Analysis
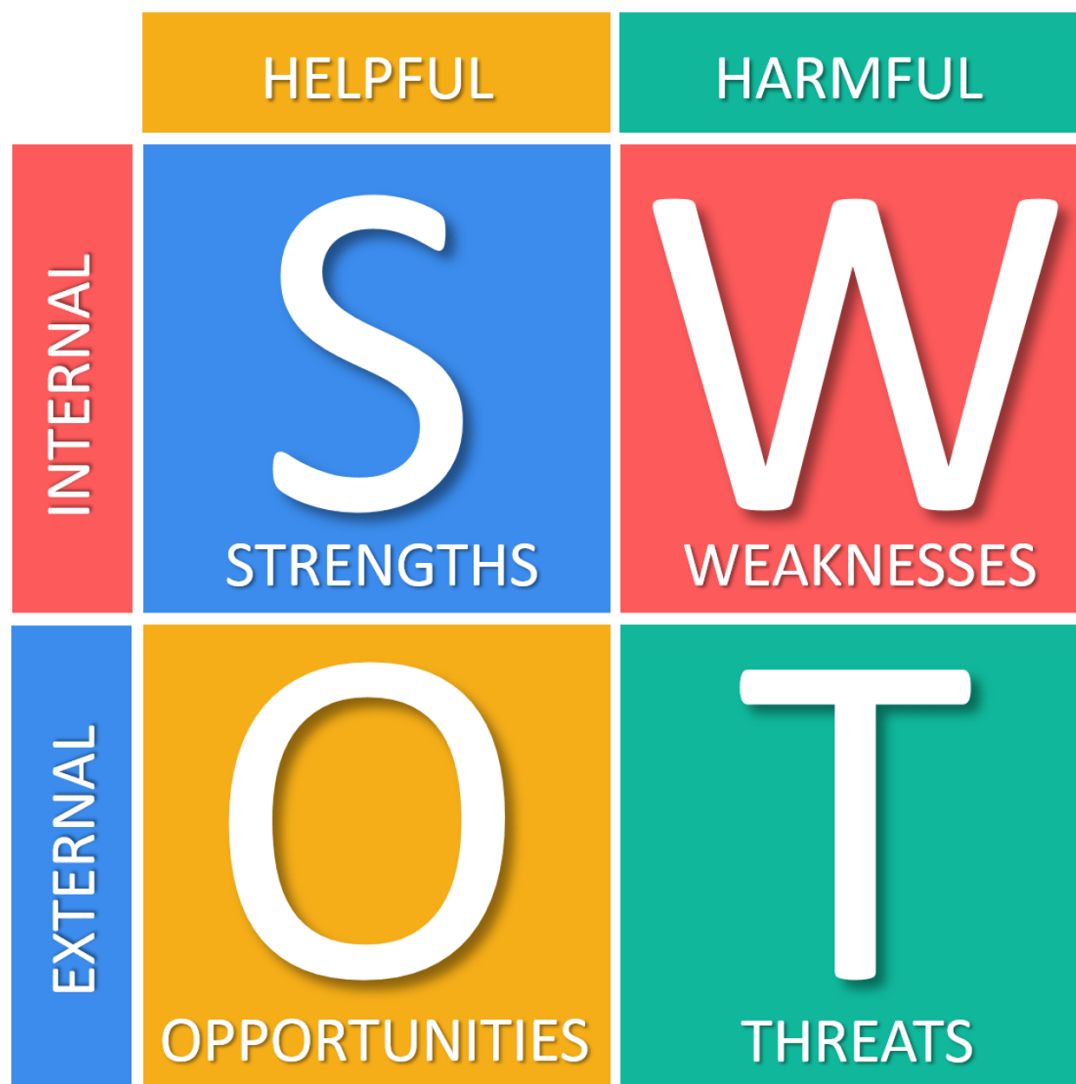
Appendix 6 shows the SWOT Analysis for AgencyCare conducted in 2020.

While AgencyCare in 2020 changed their strategy planning from three-year long-term strategic goals to eighteen months 'medium-term' planning in response to the uncertainty and ambiguity of the operational environment, even the eighteen months have proven futile not only because of the disruptive SARS-CoV-2 known globally as Covid-19, but also due to socio-political reactions to contain the

devastating impact of the pandemic. The agency faced insurmountable disruptions to care services due to high numbers of no-shows by caregivers, fear of increased risk of exposure to the virus as the rate of reported caregiver and client positive cases hit a record high in the first quarter of 2020. While research on the impact of Covid-19 is ongoing, Yu et al (2020) noted that, the pandemic brought unprecedented disruption to the provision of health care globally. The current environment has made Jackson's (2019) assertion that leaders are facing incredible levels of uncertainty making long term strategy planning and budgeting impossible, a reality.

Alfred Chandler in the 1970s coined the phrase "structure follows strategy" (Jenkins, 2017) in which he pointed out that company arrangements for managing and doing work need to adapt to reflect evolving strategic direction and priorities. While he contended that it is fact that organizations need to adapt to changing demands, environments, and technologies, he was quick to point out that the world is in a tech-enabled seismic shift across all aspects, which renders the mantra of structure follows strategy questionable. He argued that it is unlikely that organizations will rush off and completely re-tool their structures to reflect every new change in strategic direction. In this VUCA context, I argued that strategies change at a break-neck speed, expecting organizations to keep pace with the frequent changes by adopting new structures is unreal.

AgencyCare Organizational Structure/Organogram

In line with the RBV school of thought, the HR Director in AgencyCare collaborates with business leaders to develop an organization structure that supports the strategy, followed by a process of skills and competence assessments, systems, and operating procedure alignment, promoting leadership and management styles they deem relevant to entrench shared values and culture.

Structurally, within AgencyCare, leading at the top is the Board of Directors responsible for upholding governance, ethics, and compliance, and guide policy and strategic direction. Besides the main Board Committee, there are two sub-committees that the HR function reports into, namely the Quality Assurance and Performance Improvement Committee in charge of patient care and service improvement, business continuity management, patient and employee health and safety and risk and disaster recovery planning. For example, recently, the committee's focus has been on the impact of Covid-19 and how the agency can prepare for or avoid a crisis. The other committee is the Remuneration and Nominations Committee responsible for employee benefits, welfare, and people strategy of the organization. Below these is the Executive Director position responsible for leading, guiding and driving the agency performance with oversight responsibility over finance, marketing, clinical and non-clinical homecare services, and human resources management functions. Figure 7 depicts the current organizational structure for AgencyCare.

Figure 7: AgencyCare Organizational Structure.

AgencyCare Organizational Structure - 2021
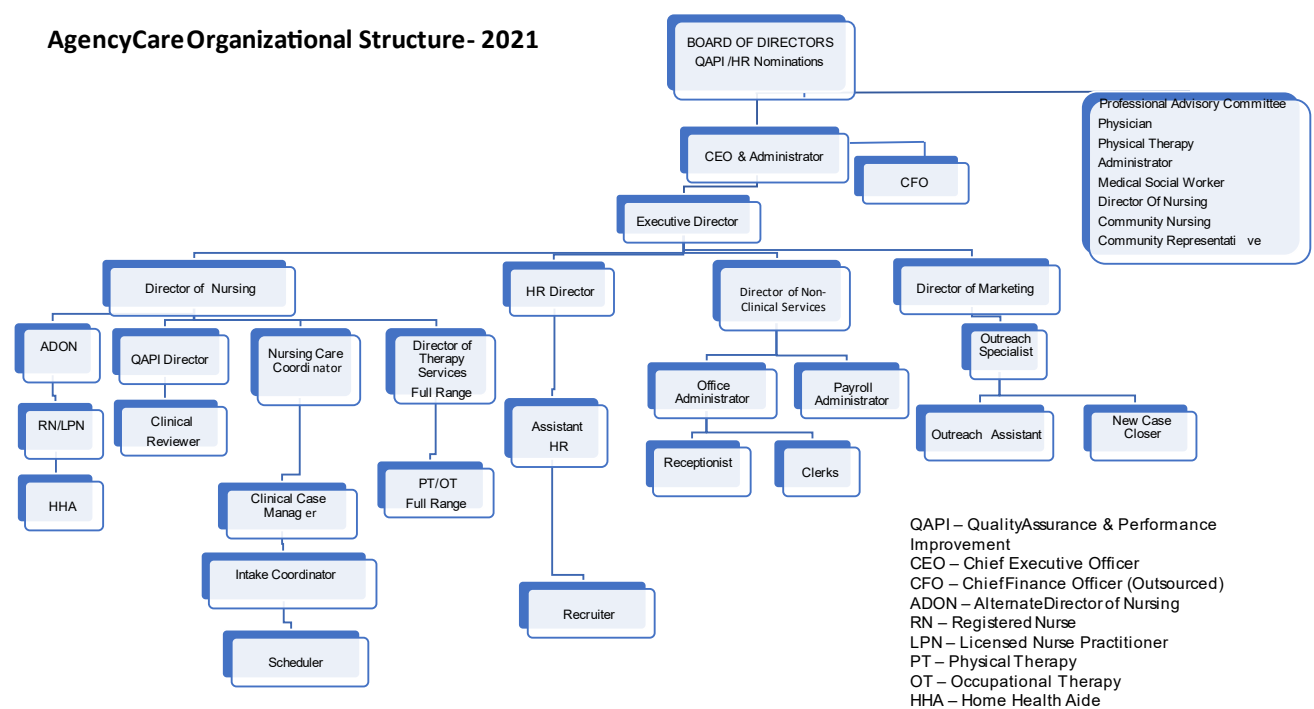
This view of the organogram is common among HR professionals and is supported by SHRM (2019). The organogram shows reporting and control relationships in a linear classical management perspective. Cabrera et al., (2020) argued that this way of structuring the organization reflects a command-and-control arrangement, which they argued that it is not suitable for complex-adaptive organizations.

AgencyCare has a hybrid structure incorporating functional and matrix structures. According to SHRM (2019), in a functional structure, departments exist based on the services they provide within the organization, for example, nursing, non-clinical services, HRM, and marketing (refer to figure 7). Matrix structures have dual reporting that is described by Kiruba, et al., (2020) as having "at least two commanders-in-chief, the project manager, and the functional manager. The former is responsible for the execution of the project, and the latter provides all the necessary support to the former" (p. 271). The rest of the team members report to

both leaders. Similarly, within AgencyCare the owner of the organization is the Chief Executive Officer (CEO) who doubles up as the Board Chairperson, and acts as the functional manager, always on 'standby' to support the Executive Director (ED) on certain technical and strategic matters, thereby making the ED a project manager responsible for operations and execution. While Kiruba et al. (2020) viewed this structural arrangement as a complex organizational structure which collates the finest skill sets into any single project, they argued that this type of structure is hard to implement. With two reporting leaders, "there is a clear ambiguity to whom, about what and when, and all these questions have some or the other ambiguous answers" (Kiruba et al., 2020, p.272). While it has been more than a year with this structural arrangement in place within AgencyCare, I agree with Kiruba et al. (2020) that the arrangement is dissatisfactory, as it is bound to cause communication and operational challenges.

AgencyCare Performance Management

AgencyCare uses the balanced scorecard as a performance monitoring and management tool. In line with the prevailing performance management tools, AgencyCare HR leaders use the balanced scorecard to guide the team through a process of planning, organizing, and agreeing on corporate strategic objectives that are specific, measurable, achievable, realistic and timebound (SMART).

According to Niven (2006), based on research by Kaplan and Norton in 1990, the two introduced the balanced scorecard as a tool to measure performance and they argued that it was an improvement from traditional performance management systems that were criticized for their focus on financial measures as the main determinants of performance levels. Defined as a "carefully selected set of quantifiable measures derived from an organization's strategy" (Niven, 2006, p.13),

the balanced scorecard incorporates four perspectives, namely, financial, customer, internal processes and learning and growth. According to Kaplan and Norton (1990) strategic goals must be known to all levels of staff and leaders must cascade the scorecard from the highest level down to the shopfloor employee. Likewise, AgencyCare uses the balanced scorecard to inform and communicate strategic goals to staff. The agency follows a structured, linear, and mechanistic way of cascading strategic performance goals down to the lowest level. The authors emphasized that cascading of goals not only aligns goals across all levels but also creates a line of sight from the employee on the lowest level back to the executive. Niven (2006) added that the human and financial goals should be the basis for developing budgets that support the strategic goals. Similarly, AgencyCare formulate their budgets soon after agreeing on strategic goals for the organization.

While Niven (2006) affirmed that the balanced scorecard is a tool used to communicate strategy, measure performance as well as a strategic management tool, he contended that the balanced scorecard came into effect to counter criticisms levied against the overabundant use of financial measures. Niven (2006) argued that part of the criticism was that the business had come to realize that value creating activities were missing not only in tangible assets (quantitative aspects) but also in qualitative aspects like the ideas of employees, customers, and supplier relationship management, in databases of key information, and in cultures open to innovation and quality. The RBV describes these qualitative aspects as sources of competitive advantage to an organization (Michael, 2020).

AgencyCare follows a linear and structured approach to strategic goal setting starting off with corporate scorecard development. This involves all managers and directors who present their department performance for the just ended strategy

period. The whole team collaborate to develop the corporate scorecard for the next phase of performance. Once the team establishes the corporate scorecard each department leader uses that corporate scorecard to develop their respective department scorecard. A summarized example of the Balanced Scorecard for the HR Director is in Appendix 1.

Guided by the corporate scorecard, each leader collaborates with their department teams to develop the department scorecard. On an agreed date, the executives and managers meet to finalize each department scorecard. The respective department leader presents and defends their department scorecard to the rest of the leaders who provide input to align their own department goals to that of the department presenting. While efforts to align each department goals with other cross functional goals take place, this depends on the capacity of the leader to defend their department scorecard. Leaders prepare thoroughly to ensure they get their scorecard approved, first by the Executive Director and next by the Board of Directors.

Once the Board of Directors approve the top leadership scorecards, the Executive Director presents the approved corporate scorecard to all employees. Once done, the HR department leads the business through a process of linearly cascading down corporate strategic goals into individual departmental performance scorecards. The department performance scorecard represents head of department's performance goals. The department managers use the department scorecard to cascade down to single unit section performance scorecards and lastly to individuals below the section manager. For example, the corporate scorecard (Executive Director) guides the HR Director performance scorecard, which in turn guides the individual section supervisors' performance scorecards (e.g., payroll) and

this in-turn guides the lowest levels on the organization hierarchy (administrative assistant). HR sections include payroll, talent management, talent development, employee relations, and occupational health and safety sections. Each section scorecard represents the section supervisor's performance goals, and the section scorecards are, in turn, cascaded down to individual employees' performance goals based on a clear line of sight reporting.

For the past few years, the agency has struggled to follow through with the agreed strategic goals as the external environmental context characterized by disruptive emerging patterns reduced chances of achieving the goals. This resulted in frequent changes to goals, which escalated with an average of four projects pursued by the company at the same time, partly in response to regulatory changes, technological advances, and environmental demands. Leaders in AgencyCare always jostle for staff to be part of competing projects. This approach, besides compromising timely project goal achievement, promotes 'silo' mentality where the different functions perceive issues linearly based on their departmental goals, and compete for scarce resources in an organization that has too many independent projects taking place at the same time, composed of cross-functional teams across all levels of employees.

The HR department within AgencyCare, coordinates performance evaluations, first within 90 days of an employee joining and thereafter once annually usually in November each year. The process involves the employee first rating themselves against set goals while the supervisor also rates the staff member. The two meet up to discuss and agree provisional rating. The rating is provisional to allow for rate moderations at corporate level where as a general guideline the ratings follow a "bell-curve" with +/-5% of the employees falling within the far exceeds

expectations rating criteria, +/-10% within the exceeds in some goals and meets all

the other goals, +/-70% fall within meet all goals, and +/-10% meet some goals and

failed to meet others and finally +/-5% did not meet goals at all. Appendix 2 shows

the Performance Rating Scale for AgencyCare. Appendix 3 shows the Performance

Rating Weighted Score methodology and calculation and Appendix 4 shows

guidelines in rating the employee's performance and Appendix 5 shows the

Performance Moderation Stages. Based on performance rating, employees get a

paycheck rate raise as well as an incentive bonus in December of each year.

AgencyCare Problem Formulation and Solving Approach

The prevailing AgencyCare HRM problem formulation process follows five

steps as articulated in Figure 8.

Figure 8: AgencyCare HRM Problem Formulation and Solving Approach

AgencyCare HRM Problem Solving Approach

5. Evaluation & Feedback
HRM collaborates with caregivers for post-course feedback on training impact while service coordinators engage clients for service improvement feedback

1. Problem Identification
Increase in client complaints about poor service quality by caregivers

2. Problem Analysis
This is done to establish the reasons for the poor service quality by caregivers – HR collaborates with service coordinators to engage clients on issues of concern

4. Solutions Implementation
All caregivers are trained on customer care.

3. Intervention Plan Development
HR organizes customer care refresher training courses on all caregivers

Source: AgencyCare Standard Operating Procedures, Version 3, (2021)

The above diagram shows the current steps followed by AgencyCare HRM to solve

problems. Step 1 is problem identification - for the purposes of this dissertation, I use

the problem related to increased client complaints due to inferior quality of service by

caregivers, as derived from the AgencyCare client complaint log (2020). Based on

the client complaint log for the last half year (2020), AgencyCare noticed increased

numbers of client complaints related to poor service quality from the caregivers. The complaint logs help identify the problems by HRM. Once HR identifies the problem, that triggers Step 2 of the problem-solving process, that is, problem analysis. This step involves collaboration between HRM and service coordinators to establish reasons for the heightened number of complaints. Service coordinators engage the clients to establish what constitutes poor service quality to help the agency understand the nature of the problem. Next, Step 3 kicks in with HR engaging customer care training consultants to conduct refresher courses on client care. Step 4 is the implementation of training intervention and finally, Step 5 is post assessment of caregivers to establish training impact as well as service coordinators follow-up with clients for feedback on post-training quality of care.

AgencyCare Staffing and Compliance

Depending on the patient's condition and based on the type and hours of care authorized by the Managed Care Organization (MCO), AgencyCare employs either skilled nurses or non-skilled caregivers to provide care to patients in the comfort of their homes. The skilled care services are the clinical cases requiring a registered nurse (RN) or licensed practical nurse (LPN) to take care of a terminally ill patient in their home. The non-skilled home caregivers also known as caregivers, aides, or personal care attendants (United States, Bureau of Labor Statistics, 2021) and they fall into two categories as follows; the first category are family caregivers related to the client e.g., granddaughter, sister, son, either the client nominates them, or the client's family does the nomination. The second category is non-family caregivers who are independent caregivers because they are not related to the patient. These caregivers assist with nonmedical services, like companionship, cleaning, cooking, laundry, grooming and basic housekeeping. The HR department ensures that all

candidates regardless of background, meet the staffing and recruitment compliance requirements as mandated by the Department of Labor (PA), before placing them on clients. The clients/consumers are adults aged 65 years and older, or terminally ill patients or people living with disabilities who need assistance for their daily living activities. As of August 2021, the agency employed two-hundred caregivers and 10% of these are skilled care nurses (AgencyCare Management Report, August 2021).

In addition, to talent acquisition, the HR function oversees designing HR standard operating procedures in line with the Department of Labor and Department of Health specifications. Furthermore, the function is responsible for compliance, change management, remuneration and benefits administration, human resources information systems (HRIS), employee communication, risk management, diversity, and inclusion, learning and development, and cultural entrenchment (AgencyCare HRM Key Performance Areas, 2021). SHRM (2019) affirmed these duties as characteristic of most HR functions worldwide.

AgencyCare Information Technology

The agency information technology systems are undergoing integration. Currently the operating system is the HHA Exchange Home Care platform. From the beginning of 2021, the State mandated that all service providers convert from manual timesheets to the electronic visit verification (EVV) system. This change meant that the agency had to procure an EVV system and facilitate training of all caregivers on the new electronic system, which included changes to the billing system. Conversion to the EVV system boosted system effectiveness and efficiency, enhanced billing accuracy and improved bill payment success rate to 98% against an industry benchmark of an average of 80% (GS Consulting Report, June 2021).

The agency integrated the payroll, talent acquisition and onboarding systems while they integrated the learning and development system is to the HHA Exchange Homecare Software Solutions operating system. The agency outsourced the finance function to an external consulting company.

In the next Chapter 4, I outline the research methodology that I use to compare the differences between prevailing HBV approach to HRM and the evolution to Sys HRM.

CHAPTER 4

PROPOSED METHODOLOGY

Research Methodology

In this chapter, I present the methodology of this dissertation which is a reframing, diagnosis, selection of methodology and tools to provide AgencyCare HRM with alternative methodologies, frameworks and tools for problem formulation and decision making appropriate for a context characterized by high volatility, uncertainty, and ambiguity.

Cynefin Sense-Making Framework

I use the Cynefin framework by Snowden and Boone (2007) to guide HR leadership perceive and make sense of situations and decisions based on context. As summarized by Starr (2020) the Cynefin framework describes distinct contexts in which a problem or opportunity exists. I use the framework to show how HRM can determine the problem context which in turn informs them of the most suitable methodologies, approaches, and tools to use when the context changes. Starr (2020) argued that understanding the context changes the approach (p.14):

> This means instead of asking, "What should I do about this problem?" the leader should ask, "In what kind of context is this problem located?" and "What kind of problem is this?" This is a change in the fundamental framework for ordering, perceiving, and understanding reality. Answering these context questions helps to inform HRM on how to approach the problem as well as what intervening mechanism is appropriate, i.e., a course of action.

HRM can understand and examine the concept of context and its implications on problem-solving and decision-making, as well as performance, not merely as an

input or outcome variable among others, but as a fundamental, epistemological lens or framework (Starr, 2020). I further contend that the situation in which a problem or opportunity occurs influences everything a leader thinks about and how they respond, and it is the whole situation that surrounds and informs a choice or action that the author refers to as its context. For example, within the perspective of HRM, context implies organizational culture, ability of the agency to attract and retain competent talent, quality of learning and development programs, effectiveness of performance management approach, motivational aspects of employee reward, benefits, and incentives. Demand and supply of labor, and brand perception become sub-systems within the broader HRM context.

Framing the Problem Using Systems Thinking

To facilitate problem formulation in a complex setting, I use the iceberg metaphor, a systems tool. Cunliff (2018) provided that the iceberg metaphor helps to probe underlying sources of events and patterns. The author added that the iceberg metaphor offers a "deeper understanding of the system being examined as well as increased leverage for changing it (p.1)."

Design Thinking and Its Application to HRM

I use design thinking as a problem-solving and decision-making methodology against a complex HRM context. It is imperative to note that organizations experience complexity across all functions too, like marketing, production, research, and development, coupled with a fast-evolving information technology context, for example, recently the world is abuzz with the emerging metaverse world - a virtual-reality space in which users can interact with a computer- generated environment and other users (Oxford Dictionary, 2021). Against complexity, a redesign of the HRM approaches, methodologies, frameworks, and tools has become urgent.

According to Ackoff et al (2006) design thinking is a deceptively simple approach that helps solve complex problems by imagining what the ideal solution would be and then work backward to where you are today. The authors emphasized that, by so doing, HRM would avoid erecting imaginary obstacles. HRM can benefit from adopting design thinking which, according to Pourdehnad, Wexler and Wilson (2011, p.5) implies "applying a designer's sensibility and methods to problem solving, NO MATTER WHAT THE PROBLEM IS" (authors' capital letters).

In addition, John Pourdehnad authored an article on LinkedIn (2022) where he argued that faced with a faulty machine, people disguise the design of the machine when the machine fails to produce desired results. However, when it comes to inferior performance by organizations, people quickly point at all the other reasons like poor communication, leadership challenges and demotivated employees without looking at the design of the organization. He argued that organizational structures reflect the organizational design that the HR department puts in place to enable performance. I agree with John that holistic redesign of the organization structure, and establishing a complex adaptive system is critical for performance sustainability.

A Systems Thinking Approach To HRM

Given the current reality of a complex context, with a lot of emerging wicked problems, I use systems thinking perspective as an approach and methodology to derive sustainable HRM solutions. Wieck (2021) used Senge's (1994) definition to provide an understanding of systems thinking as (p. 2) "a discipline for seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static snapshots" According to Jackson (2019) this implies taking into consideration "systemic interdependencies and

interconnectedness of all parts" (p.40) of the HRM function, to decide on the model and approach that promotes maximum sustainability. According to Pourdehnad et al (2011, p.3), "the essence of systems thinking is encapsulated in the concept of systemic wholeness, which is grasped by looking at the whole instead of the parts". Perceiving HRM from a systemic perspective means that HR leaders consider the interconnected complex functionality of related components (Pourdehnad, et al, 2011) including factors internal and external to the HR function, as well as all the organizations that interact with the agency that HRM decisions and changes may impact. The authors argued that failure to consider the systemic properties as derived from the interaction of the different parts leads to sub-optimization of the performance of the whole. This will in turn result in emergent unintended consequences as changes made within one part of the system may adversely affect other parts of the system not initially considered (Pourdehnad, et al., 2011; Ackoff, et al, 2006).

Systems thinking enables ability to apply mindsets, methodologies and tools that help to develop a better understanding of the dynamic complexity that lies within systems (Wieck, 2021). The author further articulated that systems thinking helps HRM to anticipate the future developments, identify leverage points and design effective interventions to nudge the system towards achievement of the vision of the organization for sustainability. Based on systems thinking perspective, I provide a synthesis of the HRM systemic components that form what Ackoff (1994) pointed out as the conceptual framework of an organization as an open social system that has three major sets of purposes namely, "its containing system, its own, and its parts" (p.4). I present a summarized illustration of the Sys HRM containing system,

which Starr (2019) alluded to as an explanation of the whole derived from the role of the system in the larger system of which it is part.

While systems thinking has areas that have independent origins but have overtime become interlinked while retaining their distinctiveness, including general systems theory, cybernetics, system dynamics, soft and critical systems, among others (Ramage et al, 2009), the dissertation used complexity theory, soft and critical systems and complex adaptive system (CAS) to demonstrate theoretical differences in approaches and methodologies between prevailing RBV methodologies, approaches, tools and frameworks to problem solving and decision making against Sys HRM approaches and methodologies.

Taking a cue from Jackson (2019) who contended that, an organization is a complex system, and Cabrera et al (2015) who presented that an organization is a complex adaptive system (CAS), Mitchell (2009) defined an organization as one that has large networks of components with no central control and simple rules of operations which gives rise to complex collective behavior, sophisticated information processing and adaptation via learning or evolution. I apply complexity theory to AgencyCare HRM as an alternative approach to prevailing HRM methodologies and approaches. The ability of an organization to adapt to changes is critical for its survival. A CAS is one that can learn and adapt as the parts interact with other parts, and the interactions of the parts generate emergent and self-organizing behavior (Jackson, 2019).

While the world is dynamic and complex, Wieck (2021) argued that systems thinking does not solve complexity, instead, it equips HRM with tools, methods, and mindsets to see the environment through new lenses as well as enables deepening HRM engagement with all the other parts that form the holistic organization.

Research Limitations

While the dissertation acknowledged the limitations with focusing on one company as a case study, and the risk of generalizing the results, and given that this type of research is often faulted due to the likelihood of researcher bias, the findings were not only authenticated by literature but were also validated by the researcher's in-depth more than 20 years of experience managing and leading the human resources function in global organizations across southern Africa and the United States at different levels within diverse and complex organizational settings.

The next Chapter 5, I present my findings based on comparisons between prevailing HRM problem formulation and problem-solving methodologies, decision making approaches, frameworks, tools, and scholarly literature against Sys HRM methodologies, approaches, frameworks, and tools.

CHAPTER 5

RESULTS OF THE STUDY

Introduction

As reported in Chapter 1, the dissertation used a case study of a fictitious home health care organization referred to as AgencyCare. I argue that Sys HRM is a preferred methodology and approach for HR leaders to understand complex challenges. In this chapter, I describe and apply systems-informed tools, frameworks, and models, for navigating problem-solving and decision making. I compare the epistemology, i.e., method of understanding and method of intervention of the prevailing approach followed by HRM professionals including HRM professional organizations, to a novel approach I label *Systemic Human Resources Management (Sys HRM)*.

The chapter is organized the chapter in terms of the three specific research questions posed in Chapter 1 wherein I sought to establish: 1) How formulating organizational challenges using prevailing HR approaches differs from formulating the same challenges using systems thinking? And I synthesized on, 2) What methodologies and tools are appropriate for each method of problem formulation? And lastly, I answer the question that enquired on 3) What methods and tools of intervention are appropriate for each approach to problem formulation? Answers to these questions are aimed at informing and educating readers on how traditional HRM theories and practices based on the RBV perspective fall short in a complex context and why it is imperative that HRM adopts Systemic HRM against a VUCA context. I agree with Starr (2020) that within the HRM professional realm, while problems in an ordered complicated context continue to happen, an increasing

number of HRM challenges and opportunities are emerging in unordered complex and chaotic contexts. My argument is that the prevailing HRM methodologies, approaches and frameworks are suitable in an ordered, stable environment. However, these become limited in an unordered, unstable context that present complexity and chaotic scenarios. Ramage et al. (2009) described complexity as a situation that is not easily understandable, with interconnected parts that can self-organize, and with emergent parts that are non-linear. To this, Meadows (2008) added that the universe is messy, and that it depicts complexity, with a lot of parts that are not only non-linear but are turbulent and dynamic parts that have capacity to self-organize and evolve. Disorder, variety, and diversity are typical characteristics of the VUCA context.

While HRM acknowledges that the business world is complex (SHRM, 2019; KPMG 2020), the solutions they apply to problem-solving are meant for predictable and stable contexts where organizations they present simple and complicated decision-making and problem-solving methodologies, tools, and approaches. Jackson (2019) and Cabrera et al (2015) argued that there is a disconnect between the prevailing problem-solving methodologies and the complex context in which we are operating. Therefore, my point is that under complexity, HRM should adopt innovative approaches and methodologies. I recommend Sys HRM to navigate complexity, uncertainty, and emergent disruptive circumstances for sustainable problem-solving and decision-making.

I begin with a high-level recap of the background of AgencyCare and then provide key learnings on how HRM can benefit from applying systems thinking to a complex unpredictable environment.

AgencyCare Positioning

AgencyCare is a home healthcare entity that is privately-owned and for-profit. Established more than ten years ago, the agency has grown to a total of two hundred employees. The agency provides both skilled and non-skilled home care services under a license from the Department of Health for Medicare and Medicaid services. As of December 2021, eighty-five percent of the agency business consists of non-skilled, non-medical homecare services. The agency works with various managed care organizations who credentialed the agency to provide both skilled and non-skilled home health care services. The agency uses prevailing HRM tools, methodologies, frameworks, and approaches to navigate problem-solving and decision-making.

Approaches to Problem Formulation and Solving

The prevailing AgencyCare HRM problem formulation process follows five steps as articulated in Figure 8. Step 1 is problem identification - for the purposes of this dissertation, I picked the problem related to increased client complaints due to inferior quality of service by caregivers, based on AgencyCare client complaint log (2020) for the last half year (2020). AgencyCare noticed increased numbers of client complaints related to poor service quality from the caregivers. The complaint logs help HRM to identify problems. Once HR identifies the problem, that triggers Step 2 of the problem-solving process, that is, problem analysis. This step involves collaboration between HRM and service coordinators to establish reasons for the heightened number of complaints. Service coordinators engage the clients to establish what constitutes poor service quality to help the agency understand the nature of the problem. Next, Step 3 involves HR engaging customer care training

consultants to conduct refresher courses on client care. Next is Step 4, the implementation of the training intervention and finally, Step 5 is post assessment of caregivers to establish training impact as well as service coordinators follow-up with clients for feedback on post-training quality of care.

Figure 8: AgencyCare HRM Problem Formulation and Solving Approach

AgencyCare HRM Problem Solving Approach

5. Evaluation & Feedback
HRM collaborates with caregivers for post-course feedback on training impact while service coordinators engage clients for service improvement feedback

1. Problem Identification
Increase in client complaints about poor service quality by caregivers

2. Problem Analysis
This is done to establish the reasons for the poor service quality by caregivers – HR collaborates with service coordinators to engage clients on issues of concern

4. Solutions Implementation
All caregivers are trained on customer care.

3. Intervention Plan Development
HR organizes customer care refresher training courses on all caregivers

Source: AgencyCare Standard Operating Procedures, Version 3, (2021)

The outlined problem-solving approach within AgencyCare follows an ordered, linear approach aligned to the prevailing HRM problem formulation and resolution methodologies. The approach fits into the simple and complicated domains as depicted within the Cynefin sense making framework, refer to Figure 10. HR uses best practice to solve client complaints problems. Figure 8 shows how HRM initiated client care refresher courses on all caregivers using expert consultants to facilitate the training. This approach to problem identification and problem-solving takes challenges at face value. While training is a commonly used approach to resolve client care challenges, I fault this simplified approach because HR is attending to symptoms of the problem and not the actual root cause of poor service. Although training can be a remedial intervention to poor quality service under simple

and complicated contexts, in this instance, the intervention ignores other interrelated and interconnected parts of the caregiver-client relationship which include, undesirable job content, risk of COVID-19 contamination, client-caregiver compatibility issues, client-family member service disruptions and attitudes among many others that are all potential causes for poor quality of service. HRM needs to adopt different approaches and interventions to establish the root cause of compromised quality of care. I agree with Ramage et al., (2009) that a more holistic approach based on systems thinking would ensure sustainable problem resolution against a complex and chaotic context. Under a complex and chaotic context, I used the iceberg model to present a different methodology to problem formulation.

Sys HRM Problem Formulation Using the Iceberg Model

The iceberg analogy enables HRM to go deeper to discover the causal structure between interdependent factors that lead to the behavior of the holistic organization system. According to Wieck (2021), "below these causal structures lie hidden creatures of the deep sea: our beliefs, values and deep-rooted assumptions that influence so much of our doing but often stay well hidden from our view and the view of others" (p. 3). The author argued that the world context has ceased to be static and is dynamic, characterized by a dynamic web of elements and events that are constantly moving and reflect a tip of the iceberg. To understand the events, he urged leaders to look for patterns. AgencyCare can benefit from using the iceberg metaphor to facilitate problem identification by probing underlying causes of events and patterns in a complex setting. Cunliff (2018) presented that the iceberg metaphor offers a deeper understanding of the system under examination as well as increased leverage for changing it. Through probing, AgencyCare avoids the fatal mistake of reacting based on events and what is visible, which Durmonski (2021)

argued could be very deceiving. Through the iceberg model, AgencyCare can go beneath what is apparent and unravel the rightful causes of the problem. Durmonski (2021) provided that by applying the four-step iceberg model, the agency can reach to the core issue and hence solve the correct underlying cause. Simply put, by probing deeper to uncover the root cause of the problems, Durmonski (2021) emphasized that you deconstruct the situation until you reach the bottom, thereby avoid solving the symptom of the problem i.e., the tip of the iceberg but the actual cause which is often hidden deep underneath the organization operations. In addition, once you establish the root cause of the problem, Durmonski (2021) argued that the agency will learn how to stop 'fires' in the future well before they occur because they would have understood what caused them initially, making the iceberg model a proactive approach to problem-solving. In Figure 9 I present the four layers of the iceberg metaphor extracted from Durmonski (2021) and I use the same client care problems (from Figure 8) to prove how problem formulation using the iceberg model under Sys HRM differs from traditional approaches and methodologies. I argue that using the iceberg model enables AgencyCare solve the correct problem.

Figure 9: Sys HRM Problem Formulation using the Iceberg Model
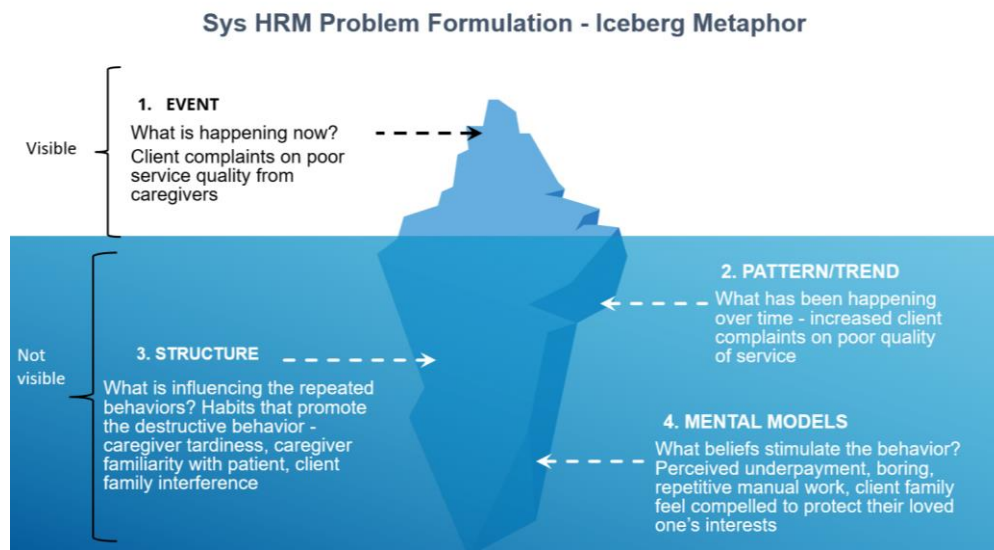
Figure 9 shows problem formulation using the iceberg metaphor. Step 1 illustrates the "tip of the iceberg" indicating what is typically seen/visible as a problem. In the case for AgencyCare, it is client complaints on poor service quality from caregivers. In line with the iceberg metaphor, poor service quality is symptomatic to bigger problems deeply within the system of caregiving services. Hence the need to avoid looking at problems based on 'face-value', because that leads to solving the wrong problem. The iceberg metaphor calls for delving deeper to establish the real problem. Step 2 shows the patterns or trends that require constant monitoring to establish the true issues that might be causing poor service quality. Step 3 is the structure and shows patterns that reflect the habits triggering the poor service quality, which include caregiver tardiness, caregiver-patient familiarity, and client family interference. Step 4 are mental models, that entail deeply held beliefs and, in this instance, include, perceived underpayment, and boring repetitive manual work. Durmonski (2021) emphasized that beliefs are the systems that fuel our actions. My view is that for every action taken, there is always feedback. By using the iceberg model, AgencyCare can dig deep into the real causes of poor service

quality thereby detecting the root cause of problem and hence HRM is able to fix the correct problem for sustainable change.

In addition to the iceberg model, HRM can use the Cynefin framework by Snowden and Boone (2007), to determine the context which in turn would determine the most appropriate approach to use towards problem solving. For simple and complicated problems, HRM can use prevailing approaches, methodologies, frameworks, tools, and scholarly literature. However, for problems under a complex and chaotic domain, HRM should use systems thinking methodologies, approaches, frameworks, tools, and scholarly literature to dissolve the problems.

Cynefin Sense Making Framework

Against a VUCA context, characterized by uncertainty and ambiguity, with a lot of emerging opportunities and challenges, shrouded by chaos and complexity, I argue that HR leaders should use the Cynefin sense making approach as a tool to inform the appropriate response to a given problem situation. Through the Cynefin framework, (Snowden & Boone, 2007, Starr, 2020), HRM can sense which context they are in to help go beyond better decision making but also avoiding the problems that arise when their preferred management style proves to have shortcomings (Starr, 2020). Despite the focus on the VUCA context, some HRM challenges remain obvious, and they should resolve these using traditional approaches based on best practices (Snowden & Boone, 2007). In addition, other problems continue to fall within complicated context, and as described by Starr (2020) are ordered with known unknowns and can be deduced through cause-and-effect. For example, using manual systems will cause service inefficiencies which can impact quality of service which in turn will result in loss of clients. It is within the simple and complicated domains that the prevailing HRM methodologies, approaches and tools are suitable. For example, the balanced

scorecard performance management system rides on the principle of cause-and-effect.

Figure 10 illustrates the Cynefin approach with examples of problem situations and the recommended approach to problem solving and decision making based on the different domains as provided by Snowden and Boone (2007); simple, complicated, chaotic, and complex.

Figure: 10 Cynefin Framework

The Cynefin Decision Making Framework – AgencyCare
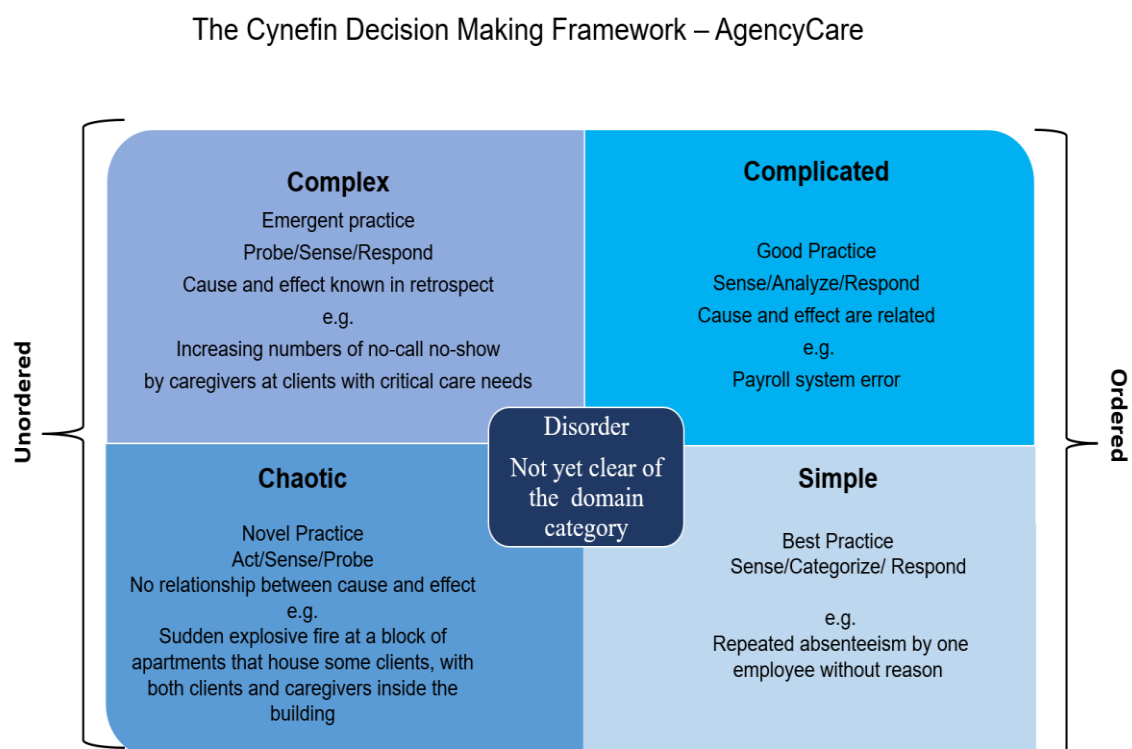
Nachbagauer (2021) contended that the Cynefin framework has two domains: ordered (stable, predictable, linear) and unordered (unstable, unpredictable, and non-linear). These domains help discern the relationship between cause-and-effect of the problem.

Within an ordered context, simple problems have known knowns and complicated challenges have known unknowns, and these two domains, simple and complicated, reflect the ordered domain (Starr, 2020). Therefore, if the problem or

opportunity situation falls within ordered and structured continuum, where the situation requires simple decisions, the Cynefin approach contends that leaders can rely on best practice, where they sense, categorize the challenge/opportunity, and then respond. In this instance I use the example of repeated absenteeism by an employee without satisfactory reasons as falling within the simple domain where decision making is based on best practice. For example, the unjustified absenteeism would require simple documentation and HR would summarily dismiss the employee.

If the problem falls within the complicated domain, where there are known unknowns, (Starr, 2020), decision making is based on good practice (Snowden et al 2005), expert advice is critical while following the approach of sensing the problem, analyzing, and then responding as appropriate. In this instance use an example of the problem of a payroll error, where HR consults the payroll specialist to establish the cause of the problem and fix it as appropriate. Both simple and complicated domains are suitable for a stable environment that fits the linear, mechanistic, generic, and standardized processes and solutions. Within this ordered context, processes and solutions apply analytical thinking and base decisions on a cause-and-effect criteria (Meadows, 2008). These approaches do not work in a chaotic or complex context. Jackson (2019) argued that once the context moves to chaos and complex, current methodologies and frameworks become wrong prescriptions.

When the context is unstructured and unordered, it may be chaotic where there is no relationship between cause and effect, there are unknowable unknowns (Starr, 2019) presenting novel practices and therefore, leaders must act-sense-respond (Snowden et al, 2005). In Figure 10, I give an example of a sudden explosive fire at an apartment building that accommodates AgencyCare clients, and the fire incident happens at a time when not only clients were inside but caregivers

too. Under a chaotic context, the situation is usually life threatening and requiring instant action, with no room to plan, decision making is based on instinct, hence the need to act swiftly, with extremely limited time and resources, using any small window of opportunity to save life.

Within an unordered and complex context, Starr, (2020) posited that organization determine cause-and-effect in retrospect by establishing patterns. Leaders use emergent practices (Lane, et al., 2021) to address knowable unknowns (Starr,2020) hence they follow the probe-sense-respond process. In Figure 10 I use an example of increasing numbers of no-call, no-show at clients by caregivers working for clients requiring critical care. Leaders must probe and dig for the root cause and once they understand the circumstances, they respond as appropriate. It is critical to note that under complexity, probing takes place under extreme time constraints and immense pressure for a solution, to contain the situation. (Cabrera et al, 2015) added that complex challenges require a systems mindset that navigates, scans, and seeks patterns and structures that lead to an approach, option or innovative design that emerges from the interactions and interconnectedness.

Against complexity, HRM cannot continue to recycle or copy and paste problem solving methodologies, approaches, frameworks, and tools. Under complexity, adoption of Sys HRM enables leaders to navigate decision making with sustainable results. In the next section I use the influence diagram as a tool to navigate the VUCA challenges and opportunities, and guide HRM on decision making.

Navigating Decision Making Under Complexity Using the Influence Diagram

An influence diagram is a decision modelling tool that provides a pictorial view that represents the interconnectedness and interrelationship between decisions, uncertainties, and outcomes via the use of nodes and arrows. Figure 11 is an

example of the influence diagram showing decision relationships around the demand

and supply of labor for AgencyCare

Figure 11: Influence Diagram - Demand and Supply of Labor - AgencyCare
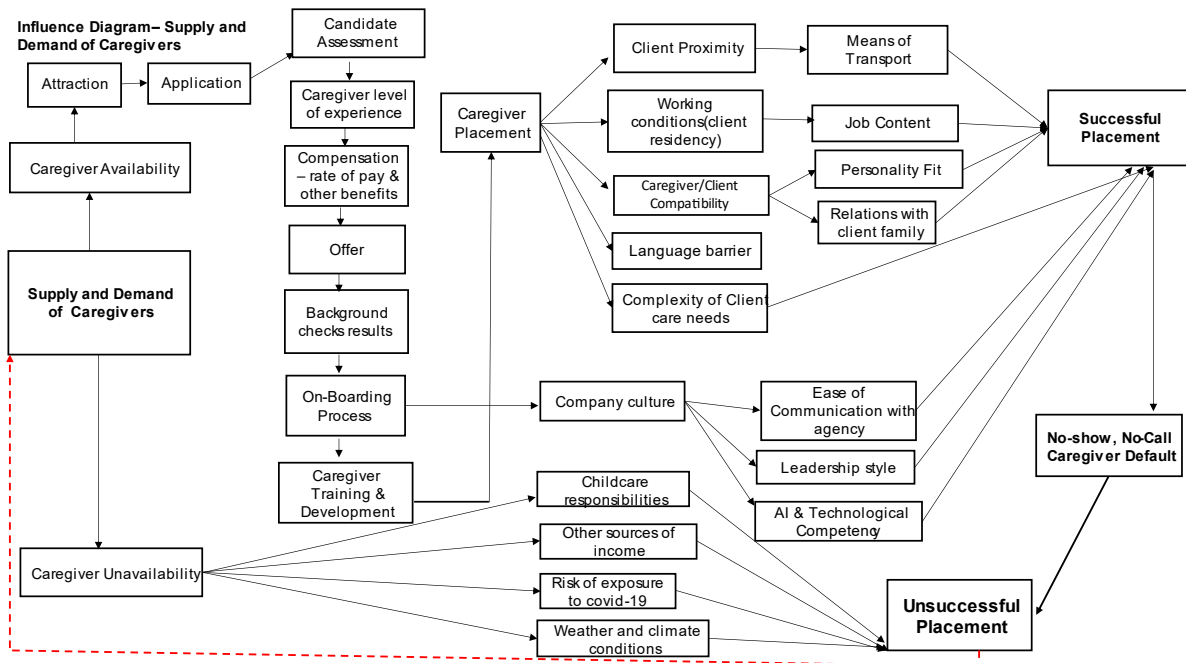
Figure 11 shows prevailing messes and opportunities around supply and

demand of caregivers in AgencyCare. The diagram highlights the influences of

various aspects around talent acquisition within AgencyCare. The interrelated

aspects promote or deter successful placement thereby either enabling service

delivery or negatively impacting or deterring smooth service delivery which in turn

negatively impacts quality of care for clients, which consequently can lead to

increased litigations, penalties due to non-compliance and subsequently company

closure. Through the influence diagram, HRM can establish the systemic

interdependencies of the various parts to the challenge they are attempting to

resolve. Understanding systemic interdependences and interconnectedness of parts

ensures a deeper understanding of issues which aides in improved problem solving

and decision-making.

Establishing AgencyCare Containing System

Dissolving complex systemic problems requires understanding of what Ackoff, et al, (2006) presented as the containing system. Ackoff (1994) pointed out that the organization is an open social system that has three major sets of purposes namely, "its containing system, its own, and its parts" (p.4). Figure 12 shows an illustration of the Sys HRM containing system, which Starr (2019) alluded to as an explanation of the whole derived from the role of the system in the larger system of which it is part.

Figure 12: AgencyCare Sys HRM Containing System
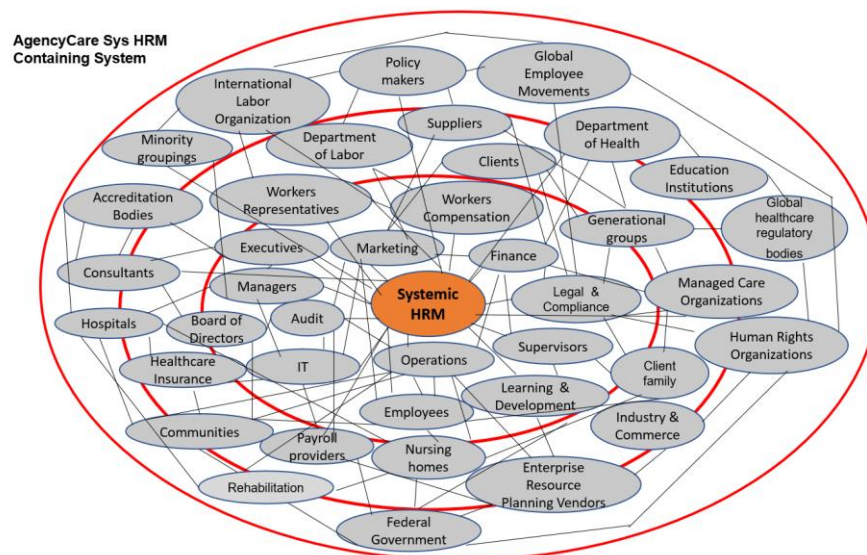
For sustainable problem solving, it is imperative that HRM establishes elements that constitute the containing systems. Figure 12 shows HRM in the center of the containing system. Within the first containing are departments and elements that any HRM decision and problem-solving solution impacts. Examples are finance, marketing, and operations. The second system contains clients, suppliers, and the Department of Labor. The third system contains the federal government and in the fourth system is the international labor organization. It is therefore critical that HRM considers the systemic interdependencies and interrelationships of the various parts

to the whole that exist and that any such decision or problem resolution will impact. Conversely, all the stated parts within the containing system should also consider the implications of their decisions and actions on AgencyCare HRM. That consideration enables an integrated approach to decision making, that involves all parts of the system that may impact or get impacted by the changes taking place around HRM within AgencyCare.

Vision, Mission, Values and Strategy Planning

The RBV and Sys HRM approaches agree on the need for an organization to have an unclouded vision that defines the end goal, supported by a mission that entails what the organization is going to do to achieve their goal and values, which define the 'how' of service delivery. The main difference between prevailing methodologies and systems thinking is on the strategy planning process and duration (long range plans). Based on prevailing practices, senior leaders within AgencyCare follow classical management approaches whereby they project *forward strategic planning* of goals over a two-year period. While the company hardly realizes the projected goals due to unexpected disruptive developments presented by the current complex context, the process for planning is the same once annually. Jackson (2019) argued that the weakness in the prevailing approach is in predicting the future in an environment that has become increasingly unpredictable.

Sys HRM presents an approach referred to by Ackoff et al. (2006) as *backward strategic planning* from where the organization wants to be to where it is now. Following a method called interactive planning, stakeholders of an organization plan not for the future but for what they want their companies to be now. Thus, "in so doing, however, interactive managers prepare their organizations for success in the unknowable future" (Ackoff et al., 2006, p.5).

AgencyCare crafted the current strategic plan in January 2021, projected

eighteen months to June 2022. Cabrera, et al, (2018), argued that the speed of

change in markets, society, culture, and technology is accelerating making each year

an even longer time. Cabrera et al (2015) argued that organizations that still project

two-year strategic plans would be fortunate to realize 30% of those goals. While the

authors posited that planning is good, they however compared the prevailing

medium to long term planning to hubris, which they agreed with Jackson (2019) that

it depends on there being a predictable future, where management can account for

all variables, and all the actors in the complex system. The authors concluded that

the reality of complex systems is that there is a lot of randomness and complex

interactions that cannot be known. Therefore, they recommended that organizations

should focus on simple rules rather than attempting to predict the future. In addition,

Ackoff et al, (2006) presented that any predictions of the future results in poor

outcomes.

Within AgencyCare, a time to strategize implies critical changes in business

focus, operations, systems, and practices. AgencyCare follows a structured process

to develop their strategic plans. The organization uses tools and frameworks like

PESTLE and SWOT analysis to establish the macro and micro strategic influences

that prompts the organization to change. They chronologically follow structured steps

starting with Step 1, departmental heads collaborate with their teams to assess and

analyze their performance scorecard against the last agreed strategic plans, which

for AgencyCare would be the past 18 months. Next would be Step 2, each

department conducts individual unit PESTLE and SWOT analysis as part of

preparatory work for the main company-wide strategy meeting, Step 3 includes the

whole leadership team meeting to present and discuss their performance milestones

against actual results, SWOT, and PESTLE analysis. During Step 4 the leaders

consolidate the individual departmental presentations to build up an organization-

wide performance baseline and finally, in step five the SWOT and PESTLE analysis

will guide planning for new strategic objectives. Based on the top leadership

collaborations, they produce a new corporate strategy scorecard that will guide

individual units to formulate their own goals derived from the new corporate strategic

goals and targets.

This view of analyzing the external environmental factors is in line with the

contingency theory that emphasizes that, the best structure and leadership for an

organization is *contingent* on the relationship between the organization and its

environment (Lawrence and Lorsch, 1967; Smither, et al, 2016). Contrary to the

views of the contingency theory, Greenhood and Miller (2010) and Smither, et al,

(2016) argued that the complexity of modern organizations, as well as the

transnational nature of many of them, have made analysis using traditional

contingency theory more complicated while some researchers (Van de Ven, et al,

2013), suggested refinement of contingency theory to embrace complexity

approaches.

While I agree that under an ordered, and stable context, where leaders can easily

project the future, the RBV and contingency approaches produce dependable

results, that does not reflect the reality of chaotic and complex contexts. Under

complexity, characterized by many unknown unknowns, where there are a lot of

emerging dynamics that are not understandable, I agree with Jackson (2019) and

Ackoff et al., (2006), that the soft systems approach and methodology work best.

Jackson (2019) provided that soft systems methodology (SSM) is an approach for

tackling complex, problematical, messy situations and that it is an action-oriented

process of inquiry into challenging situations where users learn to find out about the situation and take appropriate action to improve on it (Checkland and Poulter 2006). According to Jackson (2019), SSM has been accepted as a successful approach to 'wicked' problems and is acknowledged for its impact in strategy development, general problem solving, healthcare, project management and performance management.

Ackoff, et al., (2006) recommended that organizations can dissolve wicked problems and messes by adopting a process of interactive planning called idealized design. Interactive planning involves imagining what the ideal solution would be and working backwards to where you are today. This process starts from the assumption that nothing now exists, and according to Ackoff et al., (2006) "that clears the mind to think creatively about the best possible outcome, rather than be distracted by finding reasons why it can't be done" (p.3). Figure 13 summarizes the idealized design formulation process, which is a suitable planning option under complexity.

Figure: 13 Interactive Planning Process Ackoff, et al, (2006).

Steps in Interactive Planning- Idealization Process
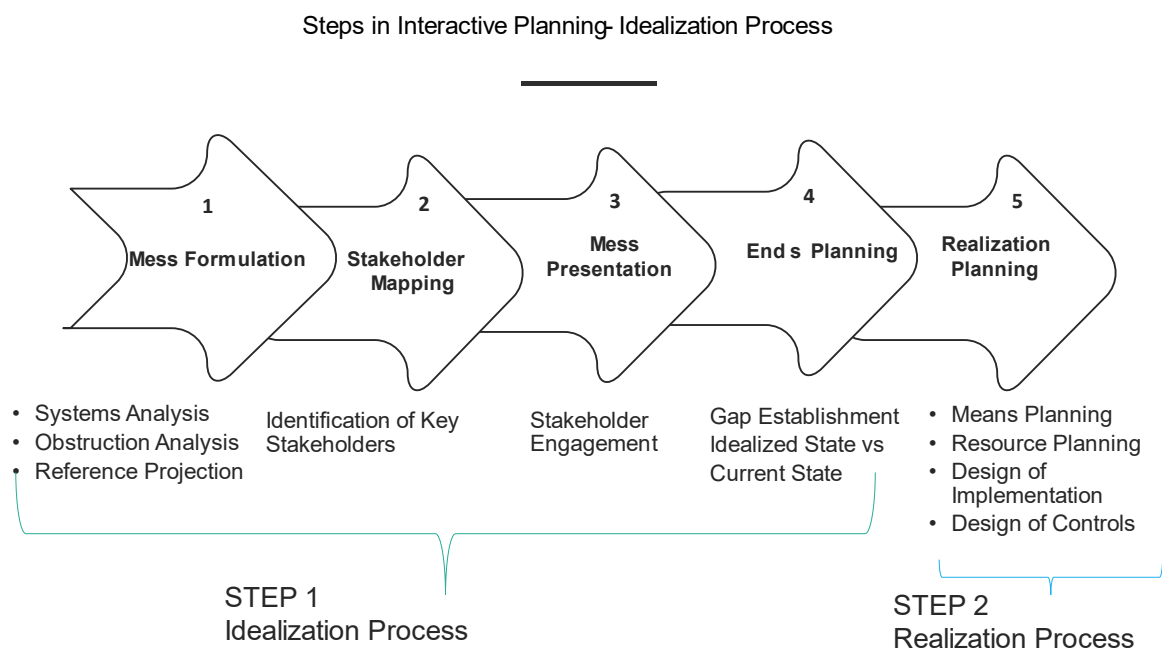
Unlike the prevailing methodologies and approaches to strategy planning, idealized design follows two major steps: idealization and realization (Ackoff, et al., 2006). Step 1, idealization, involves formulating the mess and ends planning. Ackoff et al., (2006) referred to threats and opportunities as messes, which they argued, determine how the organization would eventually destroy itself if it were to continue doing what it is doing currently, and it fails to adapt to a changing internal and external environment. Through this process, an organization can, according to the authors, identify seeds of its self-destruction thereby helping the organization to see what actions they should avoid completely.

Interactive planning methodology is not the prevalent HRM planning approach. The prevailing planning methodology is based on forecasting the future and working incrementally towards achieving the agreed future goals. I agree with Jackson (2019) and Ramage, et al., (2009) that forecasting the future only works where it is possible to set goals that remain relevant into the near future, where the context is stable to ensure that tasks arranged in a fixed hierarchy continue to deliver efficiency and effectiveness and management can set clear measures of success. HRM can benefit from interactive planning for sustainability.

Figure 14 is an illustration of the first step of interactive planning which is mess formulation for AgencyCare and is showing interdependent systemic opportunities and problems.

Figure:14 Mess Formulation – AgencyCare
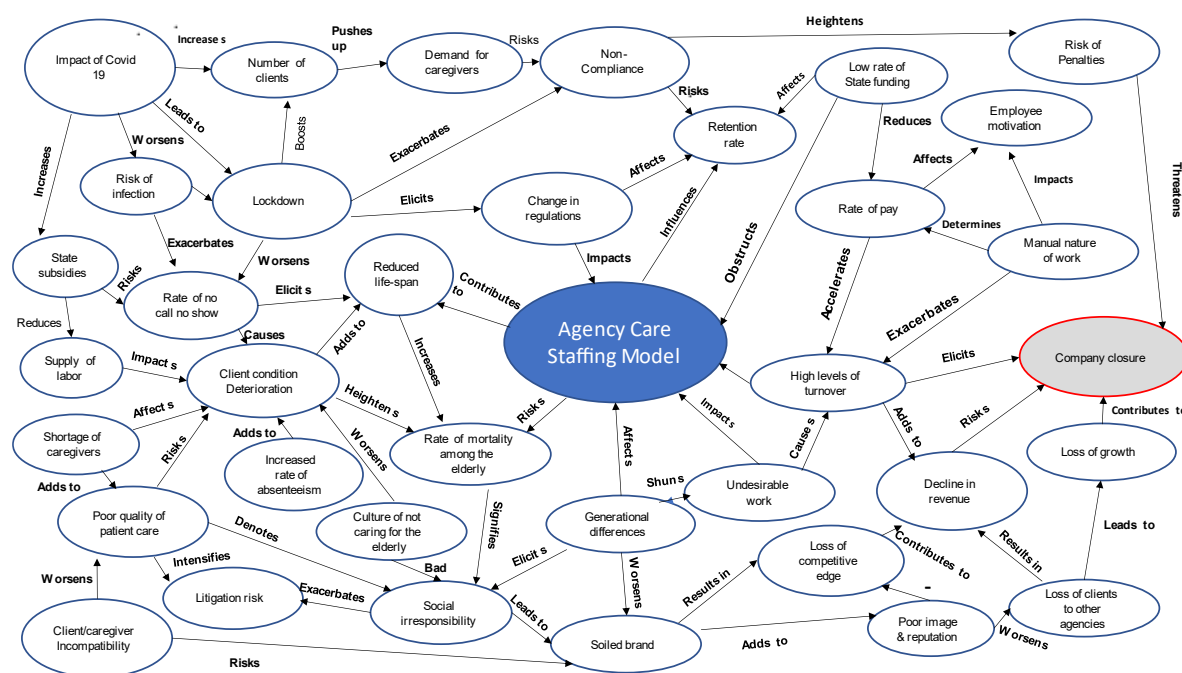
The diagram presents a mess formulation showing interdependent messes

and opportunities that form parts to the holistic staffing system for AgencyCare.

Gharajedaghi (2011), provided that formulating the mess follows a three-phase

process of searching, mapping, and telling a story. The searching phase involves an

iterative process of inquiry that includes systems analysis, obstructive analysis, and

reference planning (Gharajedaghi, 2011; Ackoff, et al., 2006). Once the agency

formulates the mess, the next phase is ends planning which, according to Ackoff et

al., (2006), is involved with determining what the planners would like the organization

to be now if it could be whatever they wanted it to be in-order to avoid self-

destruction (Ackoff et al., 2006). Once Agency completes the ends planning, the next

step in the process is realization (Ackoff et al., 2006). This process, according to the

authors, follows four steps that include: means planning, resource planning, design

implementation and then design controls. According to Bielza, et al., (2011), the idea

is to produce a whole new model, and in this case, it would be AgencyCare staffing

model.

Stakeholder mapping is a critical part of the planning process. Stakeholders are, according to Ackoff et al., (2006) all those who can be affected by the plan. Figure 15 presents stakeholders for AgencyCare.

Figure: 15 AgencyCare Stakeholder Mapping

Stakeholder mapping helps to create a boundary that defines the extent of consultations. Once the agency identifies its stakeholders, they should agree a suitable date and time to meet up with all the key stakeholders to present the mess. Ackoff et al., (2006) echoed that a design team should not exceed ten people. In cases where there are more than ten stakeholders, the organizers can split the group into a maximum of ten per design team. Kreitzer and Carter (2019), presented that the stakeholders' consultation enables stakeholder input and ideas that would guide on the innovative design. This also guarantees stakeholder buy-in at realization stage. What is key however is that no expertise is required to contribute to the innovative design since the design team discusses 'what ought to be' rather than

'what is' or 'what can be.' (Ackoff, et al., (2006). The authors emphasized that "the effort is not directed at criticizing the current system or attributing blame for deficiencies, but in conceptualizing a new one" (p. xiiv). In addition, a qualified facilitator should chair and collaborate the meetings and ensure everyone remains focused during the designing stage.

The final step on the idealization stage is ends planning. Ackoff et al. (2006) presented that this stage is overly critical as it helps to identify gaps between the idealized design and the organization's current state, which gaps should be closed via the realization stage which includes means planning, resource planning, design of implementation and design of controls (Ackoff, et al., 2006).

Based on the above, one of many differences between the traditional strategy formulation methodologies and Sys HRM idealized design is that, with the former, while AgencyCare carries out stakeholder mapping, it is not done for purposes of consultation, but is meant for 'appreciating' who they are, and 'imagining' their expectations and preferences, as the internal team single handedly plans strategic goals of the company and for the stakeholders. Within AgencyCare, the current strategy formulation approach does not include stakeholders, nor are they consulted at any stage, or invited to participate in the planning phase. The executive team meet up on their own to strategize on the future goals of the organization and how they will meet stakeholder expectations. Because the planning process is limited to internal leaders, who represent their individual departments and their departmental stakeholders, it is my argument that against a complex context, this piece-meal approach does not yield sustainable results. The latter Sys HRM is preferable as it enables stakeholder participation and buy -in to the radical change process that serves the organization from 'seeds of self-distraction' (Ackoff et al, 2006).

Barabba (2011) referred to the difference between traditional and systems-based planning in terms of generations. Generation 1 is design and planning *for stakeholders* where leaders decide what is best for the organization. Generation 2 is design and planning *with stakeholders* where leaders consult with some stakeholders but make the decisions based on their power. Generation 3 is design and planning *by stakeholders* where the leaders acknowledge that many people are needed to make the best choices and to ensure implementation in complex contexts.

The prevailing VUCA context presented a lot of challenges for AgencyCare for the period 2019 to 2021. Whilst research on the impact of Covid-19 is ongoing, Yu et al (2020) noted that, the pandemic brought unprecedented disruption to the provision of health care globally. The current environment has made Jackson's (2019) assertion that leaders are facing incredible levels of uncertainty which makes long term strategy planning and budgeting impossible, a reality. Similarly, while the impact of Covid 19 in 2022 appears to be stabilizing during the period in question, the agency experienced severe service constraints coupled with stringent compliance requirements from the PA Department of Health and the Department of Labor as efforts to contain the virus spread intensified. In addition, the nature of caregiver work is high on human-to-human body contact which increased the risk of contamination. The agency dealt with extremely high numbers of caregiver no-call, no-show, and absenteeism due to either ill-health or child-minder duties following State mandated lock-down. Exacerbating the situation was a record spike on the numbers of clients falling ill, and others unfortunately succumbed to the virus where death was imminent. All these factors had an impact on quality of care and increased risks of non-compliance. While the agency got a spike in demand for services due to closure of most nursing homes in Pennsylvania as both patients and families

increasingly preferred homecare services as a way of escaping risk of infection, the agency also faced the highest turnover rates between 2019 and 2020 when the pandemic was at a record high. All these developments were nowhere near the strategic plan for AgencyCare for the 2-year period, January 2019 to December 2020. No one predicted a pandemic in 2019 and not a single leader was prepared for the devastating effects; hence there was no plan in place to counter the disruptive effects. The leaders in AgencyCare redirected all efforts towards containing the debilitating effects of the Covid-19 pandemic rendering the 18-month strategic plan, performance goals and targets useless.

AgencyCare Prevailing Organogram versus Sys HRM Business Structure

Alfred Chandler in the 1970s coined the phrase "structure follows strategy" (Jenkins, 2017) in which he pointed out that company arrangements for managing and doing work need to adapt to reflect evolving strategic direction and priorities. While he contended that organizations need to adapt to changing demands, environments, and technologies, he was quick to point out that the world is in a tech-enabled seismic shift across all aspects, which renders the mantra of structure follows strategy questionable. He argued that it is unlikely that many organizations will rush off and completely re-tool their structures to reflect every new change in strategic direction. In this VUCA context, my argument is that strategies change at a break-neck speed, expecting organizations to keep pace with the frequent changes by adopting new structures is unreal.

In line with the RBV school of thought, the HR Director in AgencyCare collaborates with business leaders to develop an organization structure that supports the strategy, followed by a process of skills and competence assessments, and then, systems and operating procedure alignment, as well as promoting leadership and

management styles they deem relevant to entrench shared values and culture. Like most organizations, structurally, AgencyCare, has a hybrid of a functional and matrix organogram that represents prevailing mental models. SHRM (2019) supports this way of presenting an organogram structurally.

According to SHRM (2019), in a functional structure, departments are defined by the services they contribute to the organization's overall mission, such as Nursing, Non-Clinical Services, HR, and Marketing (refer to Figure 15). Matrix structures have dual reporting that Kiruba, et al., (2020) described as having "at least two commanders-in-chief, the project manager and the functional manager, the former being responsible for the execution of the project, and the latter providing all the necessary support to the former" (p. 271). The rest of the team members report to both the heads. The owner of AgencyCare is the Chief Executive Officer (CEO) who doubles up as the Board Chairperson, and acts as the functional manager, always on 'standby' to support the Executive Director (ED) on certain technical and strategic matters, thereby making the ED a project manager responsible for the operations and execution.

Whist Kiruba et al., (2020) views this structural arrangement as a complex organizational structure which collates the finest skillsets into any single project, they argue that this type of structure is hard to implement, with two reporting heads, "there is a clear ambiguity to whom, about what and when, and all these questions have some or the other ambiguous answers" (p.272). While it has been more than a year with this structural arrangement in place within AgencyCare, I agree with Kiruba, et al., (2020) that the arrangement is dissatisfactory, as it is bound to cause communication and operational challenges. Similarly, Cabrera, et al., (2020) argued that this way of structuring the organization reflects a command-and-control

arrangement, which they argued that it is not suitable for complex-adaptive organizations. Figure 16 shows the current organogram in use by AgencyCare to show reporting relationships.

Figure: 16 Current Organizational Structure – AgencyCare

AgencyCare Organizational Structure - 2021

BOARD OF DIRECTORS
QAPI /HR Nominations

Professional Advisory Committee
Physician
Physical Therapy
Administrator
Medical Social Worker
Director Of Nursing
Community Nursing
Community Representati ve

CEO & Administrator

CFO

Executive Director

Director of Nursing — HR Director — Director of Non-Clinical Services — Director of Marketing

ADON — QAPI Director — Nursing Care Coordi nator — Director of Therapy Services Full Range

RN/LPN

Clinical Reviewer

HHA

Clinical Case Manag er

Intake Coordinator

Scheduler

PT/OT Full Range

Assistant HR

Recruiter

Office Administrator — Payroll Administrator

Receptionist — Clerks

Outreach Specialist

Outreach Assistant — New Case Closer

QAPI – QualityAssurance & Performance Improvement
CEO – Chief Executive Officer
CFO – ChiefFinance Officer (Outsourced)
ADON – AlternateDirector of Nursing
RN – Registered Nurse
LPN – Licensed Nurse Practitioner
PT – Physical Therapy
OT – Occupational Therapy
HHA – Home Health Aide

In line with best practice and comparably to most organizations, AgencyCare has a Board of Directors that sits at the top of the organogram who are responsible for upholding governance, ethics, and compliance, and guide policy and strategic direction. Besides the main Board Committee, there are two sub-committees that the HR function reports into, namely the Quality Assurance and Performance Improvement Committee in charge of patient care and service improvement, business continuity management, patient and employee health and safety and risk and disaster recovery planning. For example, recently, the committee's focus has been on the impact of Covid-19 and how the agency can prepare for and/or avoid a crisis. The other committee is the Remuneration and Nominations Committee responsible for employee benefits, welfare, and people strategy of the organization.

Below the board committees and the CEO is the Executive Director position
responsible for leading, guiding and driving the agency performance with oversight
responsibility over finance, marketing, clinical and non-clinical homecare services,
and human resources management functions.

While Cabrera et al., (2015) presented what they called a non-linear mental
model as shown in Figure 17 to portray the reality of organograms, my contention is
that this presentation shows 'soft' interrelationships and interdependencies inhibited
within an organogram.

Figure: 17 Non-linear mental model (Cabrera et al, 2018 p.18)
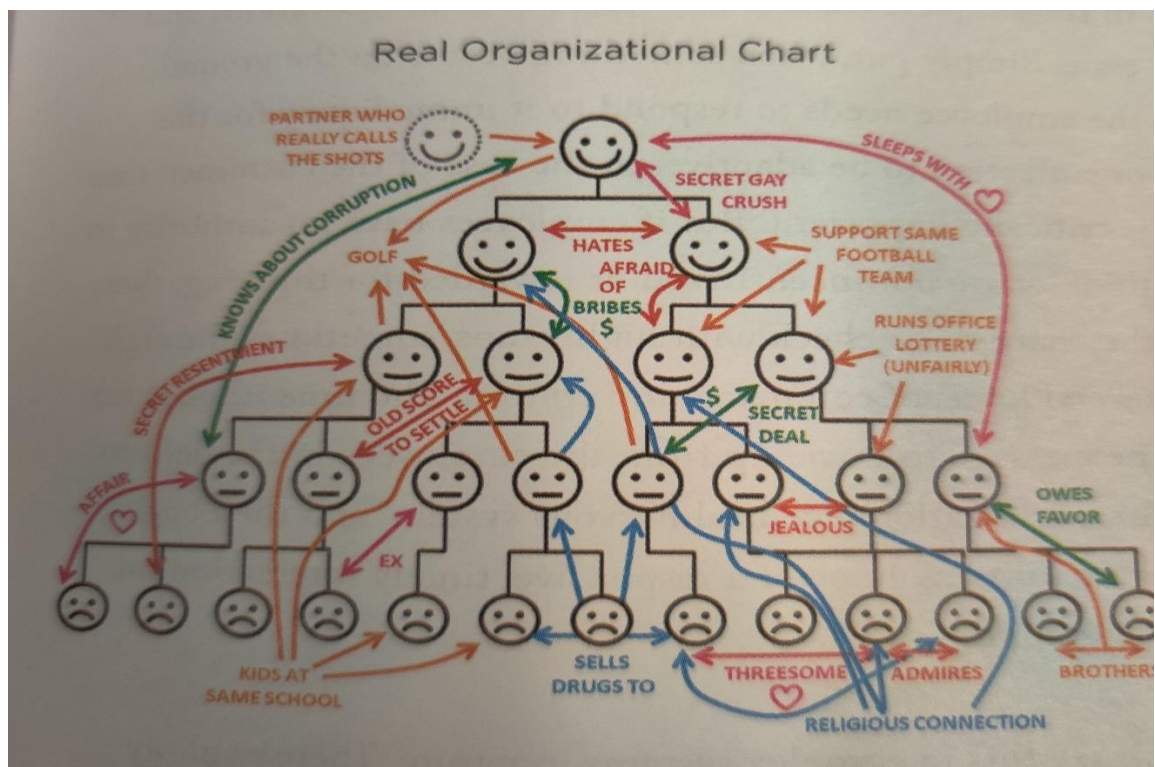
Figure 17 reflects numerous soft intricacies hidden beneath the linear mental
model, that are invisible on the prevailing organograms. Cabrera et al., (2018)
affirmed that in a social network "the nodes, things being connected, are people and
the connections, lines, are the relationships between people" (p.19).

Besides the soft interrelationships, there are also what I refer to as 'hard' interrelationships and interdependencies that characterize organizational structures and mental models that further make day to day operations even more complex. Figure 18 shows a 'simplified' reality of a non-linear mental model for AgencyCare with each arrow showing the interdependences and interactive relationships that take place on a day-to-day basis. This reality is not reflected anywhere on the current linear mechanistic organogram.

Figure 18: AgencyCare Non-linear Hard Model
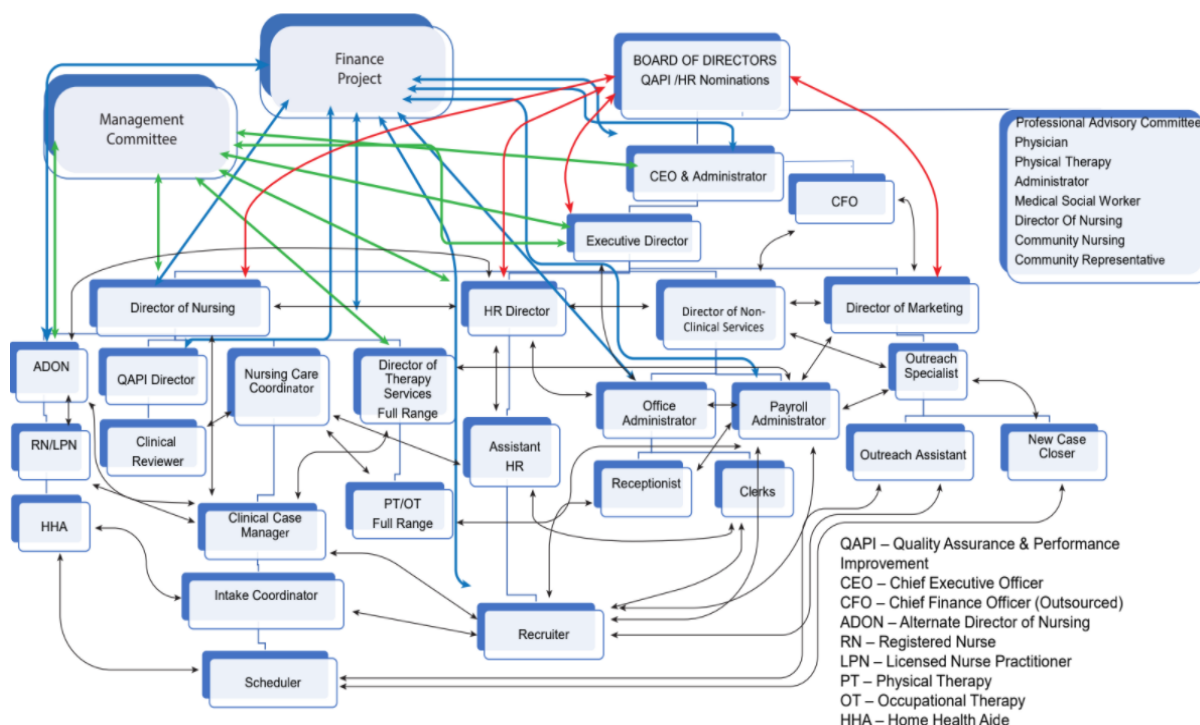
These hard interconnected and interdependent relationships come about due to numerous projects that are currently taking place within AgencyCare. At any given point, AgencyCare has an average of three projects that demand interdepartmental and cross-functional staff participation. For example, currently the Finance department is undergoing changes to their enterprise resource system (ERP). For successful vendor identification, and system migration, the agency set up a project team comprised of people from other functional areas like Human Resources,

Information Technology, Operations, and Marketing as reflected in figure 18 arrows

color-coded in blue. The cross -functional skill sets and competencies are critical to

ensure a comprehensive cover of the agency requirements to increase the degree of

successful vendor identification. These cross-functional project teams are in place

for various other projects too which projects are composed of further cross-functional

teams reflecting cross-team interdependencies and interconnectedness.

Besides the cross-functional project teams, there are cross functional

employees who individually collaborate with and among other employees from other

functional areas while they also participate in numerous committees like

management, quality assurance, occupational health and safety and many others.

All these and many more cross-functional meetings and operational

interrelationships and interdependencies exist, and all are far from reflection on the

current linear ordered organogram. In addition, the different projects, staff and

management meetings, and committees are all additional responsibilities that HR

rarely shows on a job-description. Besides the increasing rate of VUCA renders

irrelevant fixed job descriptions by position. SHRM (2020) supports this position

based on a survey they conducted on the impact of Covid 19 where the findings

indicated that job descriptions have become more fluid, as job content is changing

too often to keep pace with the changes, as many organizations are increasingly

automating systems and adopting artificial intelligence.

Besides the increase in cross-functional collaborations, AgencyCare has been

consolidating their information systems by adopting cross functional integrated

enterprise resource systems (ERP). For example, the HHA Exchange Agency

operations management system accommodates HR system (payroll and electronic

visit verification), Finance (billing) and Client Relationship Management. The system

is also interconnected externally with the managed care organizations that access

the information for quality control and bill payment purposes.

AgencyCare Performance Management

All businesses regardless of size and purpose, whether profit-making or not for

profit or government departments as it were, are set-up to deliver on the mandate for

which they are set up. Organizations use diverse types of performance management

systems as mechanisms to monitor and evaluate how they are performing towards

meeting their strategic goals. AgencyCare has a performance management system

in place based on the balanced scorecard. The agency uses the balanced scorecard

to guide the team through a process of planning, organizing, and agreeing on

corporate strategic objectives that are specific, measurable, achievable, realistic and

timebound (SMART).

According to Niven (2006), Kaplan and Norton established the balanced

scorecard in 1990 as a tool to measure performance and that was an improvement

from traditional performance management systems that received criticism for their

biased focus on financial measures as the main determinants of performance levels.

Defined as a "carefully selected set of quantifiable measures derived from an

organization's strategy" (Niven, 2006, p.13), the balanced scorecard incorporates

four perspectives namely, financial, customer, internal processes and learning and

growth. According to Kaplan and Norton (1990), organizations must communicate

strategic goals to all levels of staff while at the same time cascading down from the

highest level to the lowest level employee. The authors emphasized that cascading

of goals not only aligns goals across all levels but also creates a line of sight from

the lowest level employee back to the executive.

While upon conception the balance scorecard used the cause-and-effect relationship to argue that the changes that take place within one perspective affects the next perspective. Kaplan and Norton (1990) gave an example of an organization that is pursuing growth strategy that according to Niven (2006, p.24) "will measure revenue growth in the Financial perspective of the scorecard". The authors further alluded that the hypothesis is that loyal customers provide repeat business which will in turn result in increased revenues. While the authors presented that companies measure customer loyalty in the customer perspective, they proceeded to posit that to achieve customer loyalty, the organization depends on internal processes perspective. Hence, they emphasized a focus on product innovation, which they affirmed would result in new products, which would enhance customer confidence and loyalty, and which in turn would increase revenue. For innovation to happen, the employee learning and growth perspective would focus on training. The understanding is that once employees receive training that will lead to increased rate of product innovation which would lead to increased customer loyalty which in-turn would result in revenue growth. According to Niven (2006) development of a one-page strategy map to graphically represent the four perspectives and strategy destination with a clear line of sight on the four perspectives ensures organizational focus on performance with results.

While the balance scorecard revolutionized strategy planning and implementation, and was ranked by *Harvard Business Review* as one of the 75 most influential ideas of the twentieth century (Niven, 2006) I agree with the author's argument that while the clear line of sight and cause and effect relationship logically make sense, like the assumption that trained employees have higher skills and would

therefore limit the number of product defects in a manufacturing setting, the author argued that (p. 25)

> In actual practice, however, problems in manufacturing may result from dozens of factors, including machine failures, supplier quality issues, and computer malfunctions. This lack of scientific rigor may be enough to deter many organizations from pursuing a pure cause-and-effect linkage model when creating their Balanced Scorecard.

For AgencyCare, training staff on service excellence can lead to reduction in client complaints around poor service, however, against a complex and chaotic context, there could be more than a dozen factors that lead to customer complaints, like caregiver/client incompatibility, client family interference with caregiver, risk of Covid-19 infection among others, which factors could be beyond resolution via training. Other interventions other than training would be more ideal. The current complex context requires systems thinking that perceive things from a holistic, non-linear, organic, and adaptive methodology as well as that considers patterns and systemic interdependences, interrelatedness and interconnectedness of all parts forming the whole organization.

It is my view therefore that the balanced score card performance management tool is suitable for a stable context (Cynefin's simple and complicated domains) where cause and effect are related and where according to Jackson (2019, p. xix) there is a:

> …predictable future environment in which it is possible to set goals that remain relevant into the foreseeable future, on enough stability to ensure that tasks arranged in a fixed hierarchy continue to deliver efficiency and

effectiveness, on a passive and unified workforce and, on a capacity to take control action based on clear measures of success.

Against a VUCA context, I agree with Jackson (2019) that the balanced scorecard becomes limited as a tool to plan and manage performance. The turbulence and uncertainty of the environment, coupled with rapid changes in socio-technological systems and emerging challenges like the Covid 19 pandemic make it impractical to predict the future let alone achieve any form of 'balance' around performance management.

Evident from the current performance management setting within AgencyCare are challenges with strategic-goal disconnection between and across interdependent functions which appears to put traditional performance management approach off balance and goal achievement is impossible. Ackoff et al., (2006) argued that "the performance of an organization depends more on how the parts work together than on how they work separately" (p. xxiv). In agreement, Homer, et al., (2006) used an analogue by Sir Thomas More, Utopiah, Part 1(1516) who used the human body to disguise piecemeal approach to problem solving and performance management. Sir Thomas argued that by applying a remedy to one sore, you will provoke another; and that which removes the one ill symptom produces others, whereas the strengthening of one part of the body weakens the rest. To this Ackoff, et al., (2006) added that if organizations optimize the performance of the parts, they are systematically suboptimizing the performance of the whole. I agree with the authors that a holistic and collaborative approach is a more powerful force than internal competition and that leaders should manage the interactions of the parts holistically.

The numerous individualized department projects taking place at the same time within AgencyCare result in leaders always jostling for staff to be part of their

departmental projects. This approach, besides failing to achieve project goals, is out of favor of leaders in AgencyCare as they feel it promotes extreme pressure on operations and torrid scramble for limited resources. This further deepens leadership focus on only their respective departmental scorecards thereby perpetuating linear modus operandi, competing for scarce resources.

The process of staff performance evaluation takes place first upon completion of the first 90 days for new employees and thereafter once annually. While officially it is a once-a-year process, based on policy, all supervisors must provide constant feedback and coaching to employees throughout the performance period. In November each year, employees receive formal reviews and are allocated a performance rating that determines the incentive bonus and salary raise. Employees usually resent this process due to perceptions of bias and allegations of favoritism and unfairness when someone receive an unfavorable rating. Individual based performance incentive criteria worsen the situation as employees receive compensation based on individual performance. It is my view that the current process besides appearing to be subjective (based on performance rating moderations) also promotes competition between and among employees. This appears like a mockery to the agency values where teamwork becomes only but an espoused value under a performance management system that appears to promote individualism.

To worsen matters, the prevailing unpredictable micro and macro environmental disruptions, have made performance management difficult to administer. For example, performance evaluation results for 2020 were undesirable as there were a lot of changes that took place and changed the originally agreed performance goals as the complexity of Covid-19 pandemic took a toll on service provision, service

consistency and service quality (AgencyCare, Management Report, December 2020).

The balanced scorecard performance management approach and process represents current HRM thinking mental models aligned to prevailing RBV and classical management theories, approaches, and methodologies regarding corporate performance management. SHRM (2019) shared the same mindset that the balanced scorecard is used to identify key performance indicators (KPIs) and to ensure that objectives used to measure performance are strategically aligned to the various sources of value to the organization and hence ensure that there is balance.

Meadows (2009) and Jackson (2019) argued that this prevailing way of thinking by HRM depends on there being a stable environment where management can plan, lead, control and manage as well as have an ability to predict the near future. Homer, et al., (2006) commented that prevailing healthcare performance interventions fall short of achieving their goals because they are made in a piecemeal fashion rather than comprehensively incorporating the holistic system.

Managing Performance Under Complexity

While I underscore that the balanced scorecard is an excellent tool within a stable and predictable context, I argue that against complexity, HR should innovate and redesign a different approach and tool that is effective for successful performance management. In addition, I implore on HR leaders to consider the unique characteristics of their organizational settings in crafting a performance management framework and avoid copying and pasting generalized models. In this dissertation, I use the Cynefin approach to differentiate leadership performance mindset under simple and complicated contexts against the mindset under chaos and complexity. In Figure 19 I use the Cynefin framework to present the different

leadership parameters and performance management mindset for each of the four domains: simple, complicated, chaos, and complex.

Figure 19: Differences in Performance Management Mindsets

Using the Cynefin Decision Making Framework to Outline Differences in Performance Mindset
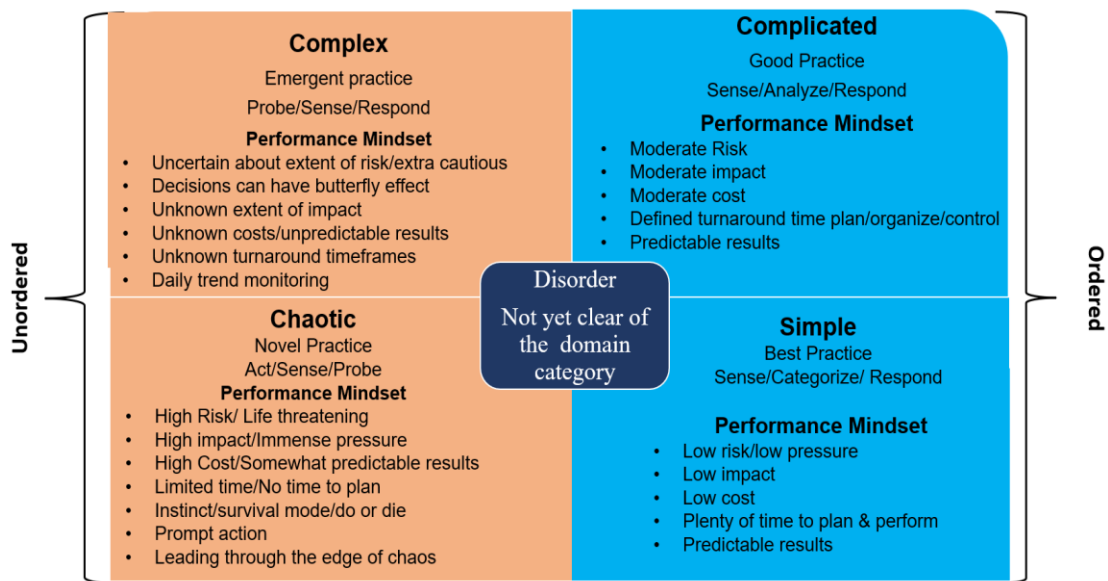
In Figure 19, I present that the leadership mindset under the simple domain is guided by a general understanding that simple issues are minimal risk, low impact and low cost and that there is ample time to make decisions. In addition, the results are predictable. The complicated domain mindset is that the issues are borderline between low-to-moderate risk, cost, and impact. Leaders have control of the events and can dictate turnaround time while the results are also predictable. The decision-making context under the simple and complicated domains is stable and performance follows simple steps with expert advice, in a structured approach, with clear plans because leaders can predict the future with some degree of certainty. The change mindset usually follows incremental structured steps.

However, under the domains of chaos and complexity, decision-making contexts change drastically and same as the leadership mindset. Under a chaotic context, decisive, swift, and urgent action is crucial. Promptness of action is critical under extreme pressure as there is little room to maneuver. The situation is considerable risk, can be life threatening, people make decisions under extreme time and other resources constraints. Performance and action are based on instinct as the performance situation presents a matter of life-or-death situation. There is a small window of opportunity, and any missed opportunity may spell death. Since action is based on instinct, there are no rank or structured protocols that people follow, there is no leader/follower structure, heroes emerge out of people acting based on instinct. The mindset is to do everything possible to avert the situation. Performance results are predictable as the situation is usually a life-or-death situation. The consequences of slow action can be fatal. The mindset is that of radical change.

Within the complex domain, the mindset is inquisitive against a lot of uncertainties around cause, cost implications, extent of impact and unknown turnaround times. Performance follows trend monitoring to establish patterns. There are a lot of unknowns due to a lot of new and emerging circumstances. Leaders make decisions under extreme pressure and decisive mindset is critical. Wieck (2021) posited that "complexity arises when there is a high number of interdependent factors in the system leading to confusing and seemingly chaotic behavior" (p.1). The author further contended that while HRM learned to control complicated systems by experimenting and applying incremental change, increasing complexity hinders leaders' ability to derive lessons from their actions. The author argued that this is because under complexity effects are decoupled from their causes in time and space. For example, against a staffing shortage crisis, awarding caregivers sign-on

bonuses or referral fees, does not immediately lead to a culture where caregivers only accept job-offers upon receiving payment before they commence work. However due to the pandemic, HRM continues to offer sign-on bonuses, sowing seeds of a culture where employees would expect to receive payment before they start work. In the long term, this can be problematic, and reversing the practice may be too complex.

HRM should appreciate that the future is unpredictable, hence performance results are also uncertain. Performance planning should be short term and at times down to week by week or even day by day to hourly, with constant performance updates, and constant change of plans to accommodate new emerging patterns.

Pourdehnad, et al., (2020) presented problem characteristics in differing contexts. I used the authors presentation to outline performance determinants and realities between ordered (simple and complicated) and non-ordered (chaos and complex) contexts. The authors examined seven categories: structure and order, mode of thinking, attribution and understanding of cause, approach to problems, relationship among elements, and methods of reasoning. In Table 3, modify Pourdehnad, et al., (2020) presentation to incorporate performance parameters that are under the ordered and unordered contexts. These performance parameters will guide HRM to design performance management approaches that suit their unique environment.

Table: 3 Problem Characteristics in Differing Contexts (Pourdehnad, et al, 2020) and

Performance Management Parameters

Characteristics	Ordered: (Simple and Complicated)	*Performance Parameter: Ordered (Simple and Complicated)*	Unordered: (Chaos and Complex)	*Performance Parameter Unordered: (Chaos and Complicated)*
Structure and Order	**Well-Structured and Predictable**: Leadership problems can be clearly defined, best choices identified, and solutions can be implemented.	**Medium to Long Term Planning** Leaders can project between one-to-three-year strategic plans using best and good practices	**Poorly Structured and Messy**: Leadership problems may not be defined in advance; only afterward. Events and influences are probabilistic, and solutions are revealed by discovery.	**Adopt Interactive Planning** Plan not for the future, but for what you want your organization to be now.
Mode of Thinking	**Analytic/Analysis**: An explanation of leadership is derived from an explanation of the role of deconstructed parts that add up to leadership.	**Break performance goals by function and role** Break down performance goals by function and cascade down with a clear line of sight	**Systemic/Systems**: An explanation of leadership is derived from explaining interactions within and between the organizational system from which it emerges.	**Consider performance goal interdependencies cross-functionally** Goal setting should consider holistic systemic interdependencies, interrelationships, and interconnectedness
Explanation of Cause	**Cause and Effect**: Leadership is context (environmental)-free, linear, additive with predictable effects (outcomes) following from well-defined causes.	**Track performance linearly** Attend to performance obstacles from a cause-and-effect perspective, in a linear fashion.	**Producer-Product**: Leadership is context (environmental)-full/rich, non-linear, non-proportional, not predictable with co-produced and emergent characteristics.	**Track performance systemically** Attend to performance issues by probing to establish the root-cause in a non-linear manner
Approach to Problems	**Reductionism**: The belief that leadership is in the person and can be reduced to a research-based set of traits, styles, behaviors, situations, and core competencies.	**Define appropriate leadership traits styles & behaviors** Enhance performance by identifying leadership traits, styles and behaviors that promote goal achievement	**Expansionism**: The belief that leadership is dynamic and emerges from the interaction of many influencing elements including from external/containing systems.	**Be open to emerging leadership qualities** Have an eye for emerging leadership qualities and promote leadership dynamism for performance goal achievement
Relationships of Elements	**Linearity and Proportionality**: A change to one element of the input/cause creates a direct change in the output/effect at a constant rate that is	**Use traditional approaches to manage performance** Prevailing performance approaches are based on cause and effect. e.g., the Balanced Scorecard.	**Nonlinearity and Nonproportionality**: Changes made to the input/cause are not proportional to the output/effects and may appear unpredictable, nonlinear, and counterintuitive.	**Innovate on performance management approaches** Design performance management frameworks that accommodate non-linearity and non-proportionality.

	predictable and sequential.			
Methodology and Reasoning	**Research**: Science and evidence-based thinking using inductive and deductive reasoning can solve a problem by generating a choice that meets the objectives and creates an optimal solution.	**Prevailing Performance Management approaches, methodologies, frameworks, and tools** E.g., Management by Objectives, Results Based Performance Management, and the Balanced Scorecard	**Design**: Design, creativity and innovation using abductive reasoning can lead to emergence of a novel configuration that can dissolve the problem and create conditions where the problem cannot occur.	**A re-design of a performance management approach, methodology, framework, and tool** HR should innovate on unique performance management approaches that suit the current chaotic and complex contexts. Current practice of one size fit all does not work.
Leadership Topics	**Conventional** knowledge and practices including traits, skills, competencies, styles, behaviors, and other analytic and linear models.	**Prevailing leadership practices** Traditional leadership traits and styles, breaking down things into parts and analyzing parts individually	**Complexity-informed** knowledge and practices including multiple systems approaches, complexity leadership and other emerging non-linear models and practices.	**Systemic leadership qualities** Ability to synthesize issues from a whole system perspective, considering systemic interdependences

Table 3 illustrates the need for leaders to understand context, either

ordered/complicated or unordered/complex, and apply the correct mental model for

sustainable performance management. When the context is ordered (simple and

complicated) leaders can analyze the situation by deconstructing the

problem/opportunity into parts, using a reductionist approach in a linear, cause and

effect manner. Contrary, however, when the situation is unordered and complex,

leaders should apply systems thinking, consider the interdependence and

interrelatedness of parts to the whole, think expansionist, in a non-linear and non-

proportionate way.

Performance incentives under the chaos and complex domain are not based on a projected performance as provided for under traditional performance management approaches. Against a chaotic context, because performance is done under extreme pressure, with no job description to refer to, and performance and action are instinct based, with some level of 'sacrifice' and exposure to substantial risk on the part of the individual delivering the performance, organizations acknowledge the actions as heroic acts and special recognition is done to the individual. Unlike the complicated contexts where incentives are put in place to motivate employee performance, under a chaotic context, performance is not motivated by an incentive or reward but by instinct and intrinsic self-willingness to do the right thing. The individuals usually do not expect any form of compensation.

Under the complex domain, incentives can be motivators for performance. For example, AgencyCare website has included a sign on bonus for nurses and personal care attendants who join the company in this VUCA context.

From a Sys HRM perspective, I recommend a radical systemic change of the prevailing performance management systems. Adoption of systemic approaches to performance management would consider the operational interdependences of the various parts/functions and departments within the holistic organization.

AgencyCare Talent Development

According to survey results by KPMG International (2020), "talent risk" ranked at the bottom of CEOs' concern prior to Covid-19, however, with the onset of the pandemic, the KPMG 2020 CEO Outlook research indicated that talent is the number one threat to long term growth and CEOs are realizing that keeping employees feeling trained, engaged, and productive is critical to survive the crisis.

Currently AgencyCare talent development process follows a sequence of steps as outlined herein: 1) At the beginning of the performance period (January each year), HR approach department heads for training requirements. The expectation is that throughout the past performance period, individual departmental heads and supervisors identify training needs of employees under their supervision, guided by quality of performance output, for example number of client complaints due to poor customer care, 2) HR department consolidates the training to develop an annual training budget, 3) once the budget is approved at board level, HR engages the heads of departments to advise on the approved budget numbers, 4) HR department then develops an annual training calendar and shares it with all the other departmental heads, 5) Throughout the year HR department monitors and controls training expenditure in liaison with departmental heads and finance department. While the departments are allowed to approach finance for budget virement to accommodate emerging training needs, which in the past few years has become the norm, there are times of tough disagreements in the boardroom where, for example finance will not see the need to virement while the user department feels there is genuine need for adjustments. Training methodologies can be in person or virtual and can additionally, be inhouse or involve external consultants. The Covid-19 pandemic has transformed AgencyCare's training methodologies towards almost 95% virtual.
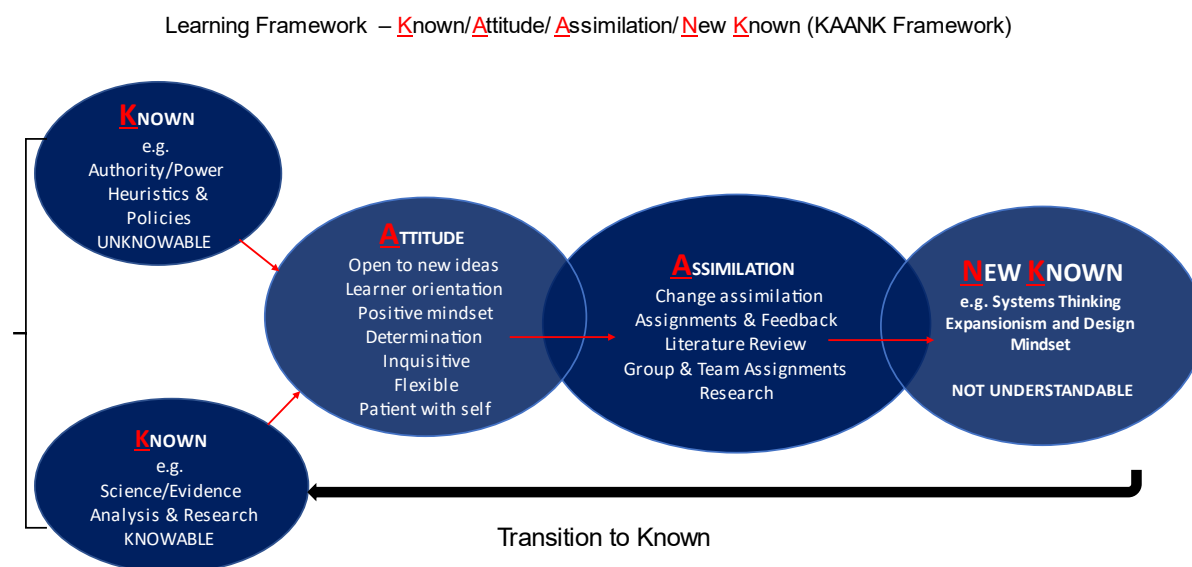
The training needs analysis for AgencyCare is in line with traditional approaches based on cause-and-effect analysis which Brinkerhoff, et al, (1994) agreed that companies approach training based on a paradigm that perceives training as the causal factor that influences human performance in a workplace. For example, the authors disguised use of terms like 'front-end analysis,' 'follow-up

evaluation', and 'post-training evaluation' as perpetuating the view that training programs are the point of leverage for bringing about learning and change in employees. Contrary to prevailing perceptions, the authors argued that this view of human resources development is a misperception of the factors that create significant results for the organization. In support, Tannenbaum and Yukl (1992) presented that while most trainees find the trainings exciting, and rate them as well organized, follow up studies showed that the effects were not only short-lived, but also transfer of learning to the workplace was low, with less than five percent of trainees claiming that they used the new lessons on the job, hence are a waste of resources.

Although training is vital for any organization, the traditional training departments approaches are not suitable in a VUCA context. Brinkerhoff, et al., (1994) suggested that for training to be effective, companies must approach it from a systems thinking perspective whereby HR leaders build the capacity of the organization to learn. The authors argued that the most powerful force for learning in a company is not the training department but the organization itself. This view of the learning organization is supported by Ramage, et al., (2020), who quoted Senge's (1990, p.3) narrative that "a learning organization is one where people continually expand their capacity to create the results, they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning how to learn together". While systems thinking is about holistic view, Senge (1990) argued that not every organizational issue can be understood only by looking at the entire organization. Therefore, HRM are challenged to understand the context, and provide suitable unique solutions, as necessary.

The COVID-19 pandemic impacted in-person and instructor-led training tremendously leading to increasing virtual, self-driven learning. According to Starr (2020), "in their first publication (Hase & Kenyon, 2000123) they argued that the 21st century learner must become responsible not only for how to learn but also for what to learn" (p.37). According to Starr (2020), Stewart Hase and Chris Kenyon introduced heutagogy as an approach to learning that they said was an extension to andragogy which implies self-determined learning (Starr, 2020). Its foundations are constructivism and humanism, together with capability, open systems thinking and complexity theory. The approach is a participant centered instructional learning centered on autonomy, capacity, and capability, with no instructor involvement. For effective heutagogy learning, the employee must have self-discipline and self-motivation to learn. I use Figure 20 to illustrate how organizations can assist employees to transition and embrace new methodology of learning based on self-drive, self-determination and self-motivation.

Figure: 20 Learning Framework

Learning Framework – Known/Attitude/ Assimilation/New Known (KAANK Framework)

KNOWN
e.g.
Authority/Power
Heuristics &
Policies
UNKNOWABLE

ATTITUDE
Open to new ideas
Learner orientation
Positive mindset
Determination
Inquisitive
Flexible
Patient with self

ASSIMILATION
Change assimilation
Assignments & Feedback
Literature Review
Group & Team Assignments
Research

NEW KNOWN
e.g. Systems Thinking
Expansionism and Design
Mindset

NOT UNDERSTANDABLE

KNOWN
e.g.
Science/Evidence
Analysis & Research
KNOWABLE

Transition to Known

The framework demonstrates the flow of new learning assimilation. I use examples based on my journey towards understanding systems thinking in a VUCA context. For learning to take place, the framework presents interactive and interdependent parts that promote learning. The framework illustrates that when participants come forward for training, they usually have some understanding around the subject matter under training. Therefore, they present some 'known' aspects (and do not come forward as completely empty-headed), that is, they usually have some background to the area of learning. That background usually elicits certain attitudes towards learning, which can be positive mental models or negative anti-learning mental models. If negative, then learning will either take place at a reduced uptake level or would not take place at all. Therefore, it is critical that participants adopt positive mental models that promote learning. Positive attitudes promote growth mindset which enables understanding of new learning. Positive attitudes include an open mindset to latest ideas, determination, inquisitiveness, flexibility, and the ability to be patient with self (to maintain the learning attitude fired-up). Once the individual aligns attitude to absorption of new knowledge, that triggers learning up-take, followed by understanding and mindset change which, in turn, enables assimilation of new learning that is facilitated via the different learning approaches like assignments, performance feedback, literature review, and research. Assimilation of learning can result in change of behavior and new knowledge. Once the learning has taken place, it becomes new known and immediately shifts the new known information to known, and the cycle starts all over. Any misalignment at any point within the KAANK framework yields different results that either enhances learning thereby making it yield effective results or can be discouraged thereby deemed as ineffective.

This KAANK framework was used on four final year doctoral students at Thomas Jefferson University (2021), to establish if learning took place throughout the doctoral classes. All four students indicated that the framework was a useful referral tool towards tackling their final class paper that required proof of learning takeaways before embarking on their dissertation paper.

While virtual learning appears to be growing into the new normal, Starr (2020) argued that in a survey involving 1200 business managers by Bersin (2015), while 97% of respondents indicated that they required virtual courses - it was not widely desired for learning leadership content. In addition, while respondents rated online learning as more convenient, none reported that the learning experience was better when online. The main concerns were the lack of soft skills defined as that relationship factor involved in human interaction required to achieve positive outcomes from the leadership process (Starr, 2020; Brunghardt, 2011).

Systems Thinking – The Role of HRM

While AgencyCare leaders support transformational, authentic, and adaptive leadership styles, so far in this dissertation, my emphasis is that, against a VUCA context, HRM must drive systems thinking which considers the entire organization to enable sustainable problem solving and decision making. Now is the time that HR leaders should adopt what I call 'Systemic Leadership Style' (SLS). The SLS approaches complex problems from a systems thinking perspective by considering systemic interdependences and interrelationships as well as develop competencies that enable ability to deduce patterns, and articulate systemic interconnectedness of parts to the whole and their implications on problem solving and decision making.

Traditionally known leadership styles and approaches like path-goal, leader-member exchange, servant, and followership (Northouse 2019) are ideal under a

stable, linear, anthropocentric, mechanistic, and ordered environment. For example, the leader-member exchange approach emphasizes dyadic relationship between the leader and followers that resultantly divides followers based on in-group members, that is, those that have a good relationship with the leader versus out-group members, those who do not share any close relationships with the leader. This style of leadership promotes unnecessary follower divisions and is contrary to systems thinking.

In 2020, the Centre for Leadership Studies produced an article where they presented that situational leadership is the most preferred approach in the current VUCA context. They argued that situational leadership equips leaders with the necessary tools to competently navigate the demands of an increasingly diverse workforce and evolving global marketplace. In addition, they emphasized that situational leadership skills prepare leaders to address the 'moment to moment' challenges pervasive in today's environment.

Besides the argument by Northouse (2019) that situational leadership theory does not explain how competence and commitment are conceptualized for each development level, I contend that the justification provided by the Centre for Leadership Studies (2020) for 'why situational leadership' is ideal, that is, its capacity to enable 'moment to moment' problem resolution, is in sharp contrast with the provisions for systems thinking. Momentary problem resolution is tantamount to solving parts of the problem, in a piecemeal fashion which is in sharp contrast to systemic leadership style.

The SLS perceives problems and decision making from a holistic point of view. Table 3 shows comparisons between qualities of a traditional, classical management leader against the SLS.

Table 3 Traditional Management versus Systemic Leader Characteristics and Qualities

Leadership Qualities and Characteristics – Classical Management versus   Systemic Leadership Style

Traditional Leader Mental Model (Simple and Complicated Contexts)	Systemic Leader Mental Model(Chaos and Complexity Contexts)
Ability to analyze the different parts of the problem	Ability to synthesize complex problems from a whole system perspective
Ability to perceive issues piecemeal	Ability to deduce the interdependent, interconnected and interrelated parts of the whole
Capacity to perceive issues linearly, mechanistically, anthropocentrically and ordered manner	Capacity to perceive issues nonlinearly, non-mechanistically, non-anthropocentrically and non-ordered manner
Ability to establish cause and effect momentarily	Ability to deduce behaviour patterns
Structured mental model	Non-structured mental model
Best Practice/Good Practice	Innovative
Incrementally embrace change	Radically adaptive to change

Table 3 illustrates the differences between traditional (prevailing) leadership mental models against Systemic Leadership mental models. While traditional leadership emphasizes splitting parts and analyzing each part separately, in a structured manner, I contend that this only works where the context is stable and predictable. Against instability and disruption, leaders must inhibit systemic competencies to decision making and problem solving which include ability to synthesize complex problems from a holistic perspective, considering systemic interdependences, of parts of the entire system and understanding the unstructured nature of problems and the context. Whereas traditional leaders perceive things linearly in an ordered fashion and are concerned with cause and effect in problem solving, to the contrary, systemic leaders show an understanding of the non-linearity, non-ordered and non-structured characteristics of problems, and can deduce problem patterns that enable problem formulation based on root cause analysis

which capacitates them to solve the correct problem for sustainable change. Traditional leaders rely on best practice, copying, pasting, and recycling methodologies, using a one-size approach to problem solving regardless of the differences in company sizes, nature of industry and business and are big 'fans' to incremental change. To the contrary, systemic leaders depend on innovation, encourage thinking outside of the box, and embraces radical change, which is ideal in a VUCA context.
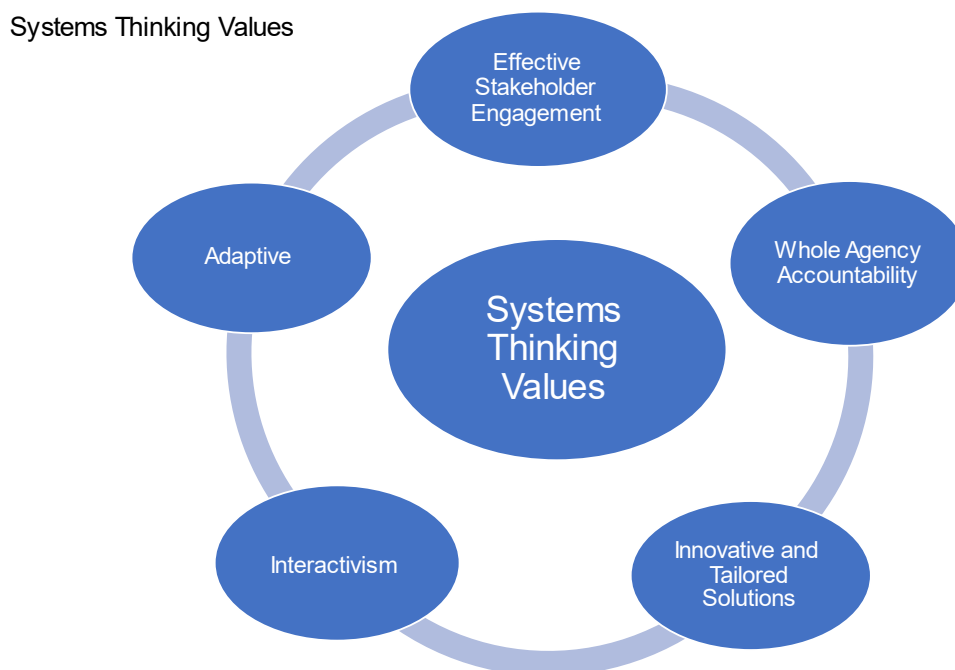
It is my contention that once the leadership mindset aligns to systems thinking, organizations will be on a way towards entrenching a systems thinking culture which I call systems thinking culture.

Systems Thinking Culture

Broadly, culture refers to shared beliefs, values, behaviors, and ways of doing business. Cabrera, et al., (2018) asserted that "culture is what happens when people share mental models" (p.172). AgencyCare believes in the following values: professionalism, integrity, fairness, communication, and accountability. These values are the cornerstone of the agency's caregiving service culture. As part of entrenching these values to staff, during meetings, participants present practical examples of how they are living the values. These values play a critical part in guiding behavior and ethical conduct among staff, as well as with all the agency's stakeholders.

For AgencyCare to enhance their culture, over and above their current values, they must embrace systems thinking as the mode of thinking to guide behavior in a complex environment. I call this systems thinking culture. Systems thinking culture implies that across all functions and levels of staff, everyone shares the same mental models as alluded to by Cabrera et al, (2018). Examples of values that drive culture under systems thinking are in Figure 21

Figure: 21 Systems Thinking Values that drive Systemic Culture

Systems Thinking Values

- Effective Stakeholder Engagement
- Whole Agency Accountability
- Systems Thinking Values
- Adaptive
- Interactivism
- Innovative and Tailored Solutions

If embedded well, systems thinking values guide all staff to think systemically, consider systemic effects of decisions on the whole organization, which reinforces systemic behaviors. Effective stakeholder engagement implies collaboration with all key stakeholders who have a say in the operations of the agency which includes both internal and external stakeholders as follows; employees, managers, clients, client families, Adult Protective Services, MCOs, DOL, and DOH. Timely engagement is critical as part of effective communication. Accountability to the whole agency means that employees and managers across all levels consider the implications of their actions and decisions to the whole organization and not just their functional areas. This dilutes silo mentality and kills 'them and us' attitude. In doing so, the agency opens itself up to staff whose views and mental models change from

individual departments, functions, parts, to mental models that promote and acknowledge interdependences, interconnectedness and interrelationships of parts and functions across the whole organization. Innovation brings in behaviors that promote new ways of doing things which takes away 'the supervisor knows everything' attitude to decision making. Through a culture of innovation, organizations can adapt and change against complexity and survive. What is critical for HRM is the ability to tailor solutions, methodologies, tools, and approaches to the unique business model of the agency, thereby avoiding following best practice approaches that are suitable in a simple or complicated context. Interactivism ensures planning for success, as alluded to by Ackoff et al (2006) that the planning is conducted backwards from where the agency wants to be to where they are now. This approach to planning cultivates a unique way of perceiving things where the organization focuses on where they want their organization to be now, instead of the future where they do not have control over.

The next Chapter 6 provides concluding remarks on my dissertation findings. I present a summary of the entire study and gave recommendations about the future developments around my dissertation topic.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this chapter, I present a summary and important conclusion that I drew from the case-study information in the previous chapter. I discuss the HRM discipline-specific implications, and I conclude with recommendations for further studies around Sys HRM.

Summary of the Study

The dissertation aimed to educate readers on the application of systems thinking to the holistic HRM field by proving that in a VUCA environment, prevailing HRM RBV and classical management methodologies, tools, approaches, and frameworks fall short of problem solving and decision-making. For example, long-term strategy formulation, use of organograms, and performance forecasting using the balanced scorecard performance management system. While these approaches are suitable in a stable environment where leaders can easily predict the foreseeable future, I challenge use of these approaches against a VUCA context. I present that traditional analytical mindset does not address the increasing complexity that is affecting organizations, the formulation of their challenges, and the way they create operating business models.

In addition, I present as a challenge HRM standardization of methodologies and approaches based on best practice. I argue against HRM's application of a one-size-fit all approach to problem-solving. I present that HRM should innovate and produce solutions that are unique to their organization setting and avoid copying and pasting approaches if the function is to remain viable. I argue that under complexity,

traditional approaches, reductionist mental models, one-size-fit-all methodologies, and piecemeal problem-solving mechanisms do not work. A VUCA contextual environment is characterized by instability, rapid and disruptive changes that render ineffective prevailing HRM problem solving methodologies. Against a complex context, I recommend adoption of systems thinking. I introduce Systemic Human Resources Management (Sys HRM) as an alternative approach to problem solving and decision-making under complexity. Sys HRM emphasizes systemic interdependences, interconnectedness and interrelationships of parts that form the whole. While traditional approaches view things from a linear, cause-and-effect, anthropocentric, mechanistic, and ordered perspective, Sys HRM perceives things from non-linear, unordered, and non-mechanistic position, where cause-and-effect are not immediately identifiable, leadership competencies include ability to establish emerging patterns, and use these for problem solving and decision-making. I argue that Sys HRM is the answer to effective HRM in a complex context.

Research Questions and Summary of Findings

Making use of a case study of a healthcare agency, I compared how formulating challenges using prevailing HR approaches differ from formulating the same challenges using systems thinking. I applied complexity theory, complex adaptive systems, and soft systems approaches and methodologies to AgencyCare HRM and presented how HR leaders can align their mental models with prevailing VUCA context for organizational sustainability.

I formulated three research questions to establish the differences between traditional HRM approaches and methodologies, and Sys HRM.

1. How does formulating organizational challenges using prevailing HR

    approaches differ from formulating the same challenges using systems

    thinking?

    I compared the traditional HRM problem formulation and decision-making

approach which follows six steps of problem identification, problem analysis,

intervention plan development, solutions implementation and evaluation and

feedback to the Sys HRM problem formulation based on, for example, the tip of

the iceberg metaphor. I argued that against a complex context, the traditional

approach is not suitable. I presented that using the iceberg model allows HRM to

probe deeper to uncover the root cause of the problems, which enables

deconstruction of the situation until you reach the bottom, thereby avoiding

solving the symptom of the problem i.e., the tip of the iceberg but the actual

cause which is often hidden deep underneath the organization operations. In

addition, I posited that once HRM establishes the root cause of the problem, they

learn how to stop 'fires' in the future well before they occur because they would

have understood what caused them initially, making the iceberg model a

proactive approach to problem-solving. I argued that prevailing problem

formulation methodologies fall short of solving the correct problem.

I presented the importance of understanding context before solving the

problem. I used the Cynefin approach based on the four domains: simple,

complicated, chaos and complex) to help HRM to sense which context they are in to

help go beyond better decision making but also avoiding the problems that arise

when their preferred management style proves to have shortcomings

2. What methodologies and tools are appropriate for each method of problem formulation?

While I established that the RBV and Sys HRM approaches agree on the need for an organization to have an unclouded vision that defines the end goal, supported by a mission that entails what the organization is going to do to achieve their goal and values, which define the 'how' of service delivery. I established that the main difference between prevailing methodologies and Sys HRM is on, for example, the strategy planning process and duration (long range plans) whereby traditional methodologies follow classical management approaches. They project *forward strategic planning*. I emphasized that forward planning methodologies hardly enable HRM to realize the projected goals due to unexpected disruptive developments presented by the prevailing complex context. I concluded that the traditional HRM strategy formulation methodologies and tools like PESTLE and SWOT are ideal in an ordered context (stable, predictable, and linear). I argued that in the current VUCA context which is unordered (unstable, unpredictable, and non-linear) HRM should adopt Sys HRM.

I agreed with Ackoff et al., (2006) that against complexity, HRM must adopt interactive planning, which involves *backward strategic planning* from where the organization wants to be to where it is now. Under chaos and complexity, I implored on HRM to adopt design thinking and systems thinking both as a leadership style and organization culture. I noted that by doing so, HRM prepares their organizations for success in the unknowable future.

3. What methods and tools of intervention are appropriate for each approach to problem formulation?

I established that against a chaotic and complex situation, HRM should cease

using methodologies meant for simple contexts that ride on best practices, as well as those meant for complicated contexts whereby organizations depend on specialists input for decision-making and problem solving. To the contrary under a chaotic situation, I present that HRM should understand that there is no relationship between cause and effect, hence decision making requires HRM to act-sense-probe. I posit that against a complex context HRM should realize that there are a lot of emergent situations that require HRM to probe/sense/respond.

I introduced the KAANK framework for HR development using the heutagogy self-driven approach to learning. I established systemic leadership style characteristics and competencies as well as instituted systems thinking culture. I argued against use of one-size fit-all and coping and pasting solutions for example, use of the balanced scorecard as a tool for performance management in complex and chaotic contexts. Instead, alongside complexity, HRM must consider the uniqueness of their organization situation, for example, for-profit, not-for-profit, government, size, and location as well as culture to innovate on the best performance management methodology and approach.

Findings Related to Literature

I established that globally, despite the VUCA context, it seems that HRM is stuck up in best practice, traditional methodologies and approaches to problem solving. While there has been increasing interest in the acceptance of complexity science (Rapuano et al., 2021) and systems thinking (Jackson, 2019) as legitimate and useful approaches to understand, navigate and address challenges of organizational leadership (Rosenhead et al., 2019), team management (Diaz-Fernandez et al., 2020), project management (Sapir, 2020), organizational change

(Lowell 2016), and health service (Thompson et al., 2016), it appears that the same cannot be said of HRM.

Whereas there is some emerging scholarly literature that applies systems thinking to parts of the HRM functional areas such as human resources strategy and performance management (Uysal, 2017), career development (Rapuano et al, 2021), and organizational structuring (Cabrera, et al., 2020), change management (Hanna, 2018), and employee relations (Ingram, 2021), it seems that systems thinking is not the prevailing mindset within HRM. Cabrera et al. (2020) argued that there is a mismatch between the context and the mental models being applied to problem solving. The authors further declared that the prevailing approach to *thinking about* challenges in the everyday world is Linear, Anthropocentric, Mechanistic and Ordered (LAMO) based on cause and effect. According to the authors, this mental model is not ideal for a VUCA context, where issues are non-linear, unordered, and non-mechanistic. I note however that Sys HRM does not replace prevailing methodologies, approaches, tools, and frameworks, rather, it is complementary. Therefore, my argument is that when the context is simple or complicated, it is fine to use traditional approaches and methodologies. However, when the situation is chaotic or complex the most ideal is systems thinking.

For HRM to depict the context (simple, complicated, chaotic, or complex), I recommend using the Cynefin sense making framework. The Cynefin framework presents that when the problem or opportunity situation falls within ordered (structured) continuum, where simple decisions are required, leaders can use best practice, or if it is complicated, with known unknowns, it is best to refer to experts. The simple and complicated domains approach to decision making are suitable for a stable environment that fits the linear, mechanistic, generic, best practice, and

standardized processes and solutions. Within this ordered context, processes and solutions apply analytical thinking in which they treat symptoms of the problem and search for a root cause (Meadows, 2008). These approaches cannot work in a chaotic or complex context.

When the context is unstructured and unordered, problems and opportunities exist in domains of chaos and complexity, prevailing methodologies and frameworks do not work. When the context is chaotic, there is no relationship between cause and effect, there are unknowable unknowns (Starr, 2019) presenting novel practices and therefore leaders must act, sense, and respond with the hope that the problem becomes complicated and manageable. Within a complex context, cause-and-effect are established only in retrospect by establishing patterns (Meadows,2008). Leaders use emergent practices (Lane, et al., 2021) to attend to knowable unknowns (Starr,2019) where complex problems are often not fully definable or understandable (even by experts) with parts that are non-linear and interactive, and these challenges require a systems mindset that navigates, scans, and seeks patterns (Cabrera et al, 2015) and structures that lead to an approach, option or new design that emerges from the interaction of many ideas, experiences, and events (Ackoff et al., 2006). An example would be the emergent effect of Covid-19, which left a trail of destruction, turmoil, pain, agony, frustration, bringing forward unexpected ways of containing the spread which included increased rate of remote working, a call for social distancing, and now a call for mandatory vaccination, shortage of labor, loss of employment, increased numbers of unemployed people, and loss of revenue, all these factors intensely impacting HRM in unimaginable ways.

Conclusions

Systems thinking appears to usher plausible methodologies, approaches, tools, and frameworks to problem solving and decision making in a VUCA context. In a survey by KPMG International, the results showed that the immediate impact of Covid-19 and the lockdowns that culminated in "massive remote work has raised the HR function's visibility and contribution to business" (p.2). The report further expressed that companies need to take decisive actions albeit with incomplete information. This places HR in the spotlight, and hence the need to move from prevailing traditional RBV and classical management methodologies, approaches, frameworks, and scholarly literature to systems thinking methodologies, approaches, frameworks, and scholarly literature for effective HRM.

While other disciplines like project management and healthcare management have already embraced systems thinking, it appears like HRM is yet to adopt systems thinking as a holistic function. My point here is that based on prevailing HRM perspectives, while the HRM profession acknowledges that the context is complex, uncertain, volatile, and ambiguous, the prevailing methodologies and approaches to problem solving and decision making derived from Snowden's Cynefin simple and complicated domains. While these methodologies and approaches are necessary and work well when the problem or decision is simple and/or complicated, they are insufficient against complex and chaotic domains. I provide information on what, why, and how to reframe a problem via systems thinking and gave examples of what the new reframed problem looks like based on systems thinking interventions.

I argue that if the prevailing HR premises/assumptions are violated or fail to be acceptable because the problem context is different then, new

premises/assumptions must be generated. I present that a new way to formulate the HR problem is critical and new methods/tools for intervening need development. The proposed new way to think within the prevailing VUCA context is through thinking in systems. I use the iceberg metaphor, mess formulation and influence diagram as the new ways to formulate a problem under complexity. The new methodologies include design thinking via interactive planning.

I argue against prevailing approaches of isolating challenges and solving parts of the problem as separate pieces as well as projecting the future which has become increasingly unpredictable as likely factors leading to the demise of the HRM function. The future has become more complex, uncertain, unclear, and unpredictable in an alarming way. Therefore, using prevailing methodologies that emphasize planning for the future is a futile process for HRM leaders. Systems thinking advocates for consideration of the interdependent and interconnected relationships within the organization's containing system, stakeholder involvement and viewing issues from a holistic problem-solving approach under complexity.

Implications (Discipline Specific) for Scholars and the HRM Profession

The study brings forward a plea for change by HRM professionals and scholars towards Sys HRM. Against a VUCA context, HRM professionals and professional bodies and institutions should consider switching over to Sys HRM to survive the environmental turbulence. Going forward, universities and HRM institutions and members of the HRM academia should add on systems thinking in their HRM curriculums to cover systems understanding, in a comparable way the prevailing methodologies, frameworks, approaches, and tools are presented and taught world-wide. While I maintain the argument that my advocacy for systems thinking does not imply replacement of prevailing approaches and methodologies,

and that under a simple or complicated context, people can use prevailing tools and methodologies. I insist however that under complexity, HRM professionals and scholars must adopt systems thinking. I also emphasize adoption of the Cynefin approach to help deduce the context and domain and understand when to switch to systems thinking.

Recommendations for Further Research

The study was based on one healthcare agency from whose HRM operations were synthesized and used theoretically to compare prevailing HRM methodologies, tools, approaches, frameworks, practices, and scholarly literature to systems thinking views. It is therefore imperative that further research is done to establish the practical aspects of applying systems thinking to HRM within an organization, to evaluate the effectiveness of systems thinking models, methodologies, approaches, tools, and frameworks.

Concluding Remarks

It is critical that, against a VUCA context, HRM seriously considers shifting its focus from using prevailing best practice and one-size fit all approaches that render HRM ineffective as a business partner. Sullivan (2021) candidly presented that HR has been painfully slow in reinventing itself over the past decades that going forward, without change, the function will fade into history. The author paraphrased Jack Welsh and added that "both now and in the future, the speed of change in the company (and in the business world) will be so much faster than HR's speed of change, that its end is in sight!" (p.1). Adoption of systems thinking is vital to help HRM to innovate and provide unique HRM solutions that match their organization's unique setting against a turbulent and unpredictable environment. According to Homer, et al, (2006), the continued evolving situations present dynamic complexity

where problems are characterized by lengthy delays between cause-and-effect, with multiple goals and interests that sometimes conflict with one another. Under such complexity, a holistic approach to problem-solving and decision making would be the best option to use. Hence my insistence that under complexity, HRM must change from RBV and classical management approaches to Sys HRM. In addition, HRM must adopt systemic leadership styles that would entrench systems thinking culture across the whole organization for performance sustainability. A dynamic world requires Sys HRM methodologies and approaches.

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APPENDICES

Appendix 1

Balanced Scorecard sample for the HR Director

Employee Name……………Job Title………………..

Strategic Perspective	Strategic Goal	Key Initiatives	Performance Measures	Targets	Timing	Responsible	Accountable
Financial respective Weight 25%	**Control and monitor the Society's budget**	➤ Monitor and control HR and Training budgets ensure return on investment on all training	% Variance – actual vs approved Return on Training Investment	+/-10% within budget	Monthly	HR Director	Executive Director
Customer Weight 25%	**Strengthen AgencyCare Brand**	➤ Conduct periodic staff engagement, culture surveys, and recommend improvements as necessary.	Employee satisfaction index	80%	Bi-annually May and October each year	HR Director	Executive Director
Internal Systems Weight 25%	**Implement a robust ICT System.**	➤ Recommend and ensure implementation of an e-HR and e-learning platforms that integrate with other systems in the Society – ERP (SAP	Integrated HR system % Improvement in efficiency	100% implemented	June 2022	HR Director/ ICT Manager	Executive Director
Learning & Growth Weight 25%	**Develop and implement a performance management system**	➤ Develop and implement a performance management system based on the Balanced Business Scorecard and Results Based PMS.	Effective and Operational PMS Staff Satisfaction Index	90% 80% satisfaction	June 2022 Bi-annually May and October	HR Director	Executive Director

Note - Important: If anything affects delivery of your goals, please notify your supervisor within a week.

I confirm that this performance document has been discussed with me and I voluntarily contributed to and agree to the contents. I accept that this forms part of my performance agreement with AgencyCare for the period January 2021– June 2022. I am aware that this agreement is subject to review as necessitated by the Agency from time to time. Any such changes shall be documented and signed off by myself and my supervisor.

Signed:(Employee) ……………………………………………. Date:……………………………… Signed:(Supervisor)…………………………………………… Date:……………………………

Appendix 2

Performance Rating Scale

Performance Rating	Performance Score Description.
5(A)	Far exceeded on all agreed targets.
4(B)	Met all and exceeded some agreed targets.
3(C)	Met all the agreed targets.
2(D)	Met some and failed to meet other agreed targets.
1(E)	Did not meet all agreed targets.

Appendix 3

Performance Rating - Weighted Score

The Performance Review Process does not end at assigning Performance Rating scores for each goal. The next step is to calculate the weighted score for each goal in relationship to its weighting. Summing of the weighted scores for all the goals will give a total score of between 1 and 5. This score is then used to grade performance. The example below illustrates how you calculate performance scores and grade performance levels.

Calculating Performance Scores

Goal	Weighting (%)	Performance Score	Weighted Score	Working
Goal 1	25	4	1.00	4 x 25/100 = 4 x 0.25 = 1.0
Goal 2	25	3	0.75	3 x 25/100 = 3 x 0.25 = 0.75
Goal 3	25	5	1.25	5 x 25/100 = 5 x 0.25 = 1.25
Goal 4	25	3	0.75	3 x 25/100 = 3 x 0.25= 0.75
Total	**100**	**Total Score**	**3.75**	

The employee Performance Rating in this instance will be a B Rating. Refer to the Table with guidelines below.

Appendix 4

Guidelines in grading the employee's performance

Rating Scale	Performance Score
4.6 – 5	5 = A Rating
3.6 – 4.5	4 = B Rating
3 – 3.5	3 = C Rating
1.6 – 2.9	2 = D Rating
1 – 1.5	1 = E Rating

Appendix 5

Performance Moderation Stages

Stage	Level	Reason
1	Departmental	Alignment of all Sections to the whole Department
2	Corporate	Alignment of all Departments to the Society-wide performance

Appendix 6

AgencyCare SWOT Analysis

STRENGTHS	WEAKNESSES
• Experienced leadership • Financially sound • Teamwork • Diverse expertise among staff • Innovative team • Competent team members • Open Leadership • Professional culture • Size – the smaller we are the less the risk • Expert Guidance	• Location • Staff recruitment • Compliance issues • Growth- growing too fast • Advertising/Marketing • Lack of depth in our team • Team members not fully understanding the services that we provide. • Lacking a strategic Marketing Plan.
OPPORTUNITIES	**THREATS**
• Growing baby boomer numbers • New territories & new markets • Current climate • Government deregulation • Patients preference of home care versus Nursing home • Spanish market • Networking	• Competition • Legislation • Political environment • Lack of political connections • Compliance • Covid -19 • The bigger we are the more the exposure to risk • Litigation threat