

STRATEGIC HUMAN RESOURCE MANAGEMENT-A PARTNER IN ORGANIZATIONAL SUCCESS

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Abstract:

Strategic human resource management (SHRM) is a concept that integrates traditional human resource management activities within a firm's overall strategic planning and implementation.

SHRM integrates human resource considerations with other physical, financial, and technological resources in the setting of goals and solving complex organizational problems.

SHRM involves three steps: forecasting, strategy formulation, and implementation. Strategic human resources management practices enhance employee productivity and the ability of agencies to achieve their mission. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives.

Strategic human resource management (SHRM)

Strategic human resource management is a complex process which is constantly evolving and being studied and discussed by academics and commentators. Strategic Human Resource Management (SHRM) is an area that continues to evoke a lot of debate as to what it actually embraces. Definitions range from 'a human resource system that is tailored to the demands of the business strategy' (Miles and Snow 1984) to 'the pattern of planned human resource activities intended to enable an organization to achieve its goals' (Wright and McMahan 1992).

Strategic human resource management (SHRM) is a concept that integrates traditional human resource management activities within a firm's overall strategic planning and implementation. SHRM integrates human resource considerations with other physical, financial, and technological resources in the setting of goals and solving complex organizational problems (Legnick-Hall & Legnick-Hall, 1988) SHRM also emphasizes the implementation of a set of policies and practices that will build employee pool of skills, knowledge, and abilities (Jackson and Schuler 1995) that are relevant to organizational goals. Thus a larger variety and more complete set of solutions for solving organizational problems are provided and the likelihood that business goals of the organization will be attained is increased (Mechelin, 1996).

Strategic Human Resource Management (SHRM) is an area that continues to evoke a lot of debate as to what it actually embraces. Definitions range from 'a human resource system that is tailored to the demands of the business strategy' (Miles and Snow 1984) to 'the pattern of planned human resource activities intended to enable an organization to achieve its goals' (Wright and McMahan 1992). Although the difference between these two seems subtle, the implications of the difference are considerable. Where in the first definition human resource management is a 'reactive' management field in which human resource management becomes a tool to implement strategy, in the latter definition it has a proactive function in which human resource activities actually create and

shape the business strategy (Sanz-Valle et al. 1999).

Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organisation on the future direction it wants to take. It is concerned with longer-term people issues and macro-concerns about structure, quality, culture, values, commitment and matching resources to future need. It has been defined as:

All those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of business. (SCHULER, R.S., 1992)

The pattern of planned human resource deployments and activities intended to enable the forms to achieve its goals. (WRIGHT, P.M. and MCMAHAN, G.C. (1992)

Steps In SHRM

SHRM involves three steps: forecasting, strategy formulation, and implementation. Forecasting is the attempt to predict future events that will impact the organization and its needs through the analysis of the organization's internal and external environments. HR strategy formulation involves the development of initiatives that are aligned with the organization's mission statement, strategic objectives, strengths and weaknesses, and opportunities and threats. HR strategy implementation involves putting the HR plan into action with HR programs that support the organization's overall strategy. Human Resource Strategic formulation is dynamic and evolutionary and is subject to change as outside environmental conditions, competition or internal conditions change. At times it may appear that the strategy is simply one of reaction rather than pro-action, that is, the company is reacting to the latest threat. While the reactive label might be appropriate if every course of action a firm undertook was in response to a threat, it certainly would not be appropriate if the firm followed a well formulated strategy but was able to modify it as conditions changes. In this case the firm would be proactive-establishing plans and strategy ahead of time-but flexible.

Historically, HR community has remarked on the difficulty

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they have had "getting to the table" with top organization management. HR is commonly consulted after decisions have been made in order to help implement any major changes. Considering the invaluable perspective HR has how decisions will impact organization resources HR professionals have been frustrated that they are not involved sooner in the plan.

So what are HR's contributions toward mission accomplishment? Most line managers would like to see HR become more involved and innovative, but they also admit that it would be extremely difficult for them to get their jobs done without the help HR already provides.

What kind of value can HR bring to the organization decision-making table? Other corporate functions have no problem demonstrating their value. Why has HR not been able to capitalize on this strength?

First, HR has not historically had the statistics or data that can excite management and show how HRM influences organization success. Second, HR has focused on internal operations rather than activities that impact the entire organization. HRM alignment is still evolving, and there are several steps organizations can take to help it along:

- Fully integrate human resources management into the business planning process.
- Organization executives need to recognize the value that HR can impart to discussions about organization activities, priorities, and goals. HR leaders need to understand organization mission needs and be able to contribute substantive, creative solutions to meet these needs.
- Focus on organizational activities that assist in organization decision-making.

When HR demonstrates that it can have an impact on organization direction then it will gain credibility with organization executives.

Approaches of the SHRM,

- attempts to link Human Resource activities with competency based performance measures
- attempts to link Human Resource activities with business surpluses or profit

These two approaches indicate two factors in an organisational setting. The first one is the human factor, their performance and competency and the later is the business surplus. An approach of people concern is based on the belief that human resources are uniquely important in sustained business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. Integration of the business surplus to the human competency and performance required adequate strategies. Here the role of strategy comes into picture. The way in which people are managed, motivated and deployed, and the availability of skills and knowledge will all shape the business strategy. The strategic orientation of the business then requires the effective orientation of human resource to competency and performance excellence.

Benefits of SHRM

1. Identifying and analyzing external opportunities and threats that may be crucial to the company's success.
2. Provides a clear business strategy and vision for the future.
3. To supply competitive intelligence that may be useful in the strategic planning process.
4. To recruit, retain and motivate people.
5. To develop and retain of highly competent people.
6. To ensure that people development issues are addressed systematically.
7. To supply information regarding the company's internal strengths and weaknesses.
8. To meet the expectations of the customers effectively.
9. To ensure high productivity.

10. To ensure business surplus thorough competency

Barriers of SHRM

Barriers to successful SHRM implementation are complex. The main reason is a lack of growth strategy or failure to implement one. Other major barriers are summarized as follows:

1. Inducing the vision and mission of the change effort.
2. High resistance due to lack of cooperation from the bottom line.
3. Interdepartmental conflict.
4. The commitment of the entire senior management team.
5. Plans that integrate internal resource with external requirements.
6. Limited time, money and the resources.
7. The statusquo approach of employees
8. Fear of incompetency of senior level managers to take up strategic steps.
9. Diverse work-force with competitive skill sets.
10. Fear towards victimisation in the wake of failures.
11. Improper strategic assignments and leadership conflict over authority.
12. Ramifications for power relations.
13. Vulnerability to legislative changes.
14. Resistance that comes through the legitimate labour institutions.
15. Presence of an active labour union.
16. Rapid structural changes.
17. Economic and market pressures influenced the adoption of strategic HRM.
18. More diverse, outward looking approach.

Conclusion

As global business competition shifts from efficiency to innovation and from enlargement of scale to creation of value, management needs to be oriented towards the strategic use of human resources. Strategic human resources management practices enhance employee productivity and the ability of agencies to achieve their mission. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives. Combining human resource practices, all with a focus on the achievement of organizational goals and objectives, can have a substantial affect on the ultimate success of the organization. To manage future operations effectively, it is essential that companies produce "business leaders" and "innovators" through SHRM Approach.

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