

Organizational Success through Strategic Human Resource Management

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Abstract

Human resource management is the process of bringing people and organizations together so that the goals of each are met. It tries to secure the best from people by winning their wholehearted cooperation. In short, it may be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

HRM is a strategic approach to the acquisition, motivation, development and management of the organization's human resources. It is a specialized field that attempts to develop an appropriate corporate culture, and introducing programmes which reflect and support the core values to the enterprise and ensure its success.

Thus, according to Flippo, human resource management is "the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished."

Keywords: Strategic human resource management; Objectives and functions of SHRM.

Introduction

HRM is a strategic approach to the acquisition, motivation, development and management of the organization's human resources. It is a specialized field that attempts to develop an appropriate corporate culture, and introducing programmes which reflect and support the core values to the enterprise and ensure its success.

HRM is proactive rather than reactive, i.e., always looking forward to what needs to be done and then doing it, rather than waiting to be told what to do about recruiting, paying of training people, or dealing with employee relations problems as they arise.[1]

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management is "the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished."

Human Resource Management: Objectives

- To help the organization reach its goals.
- To ensure respect for human beings. To identify and satisfy the needs of individuals.
- To ensure reconciliation of individual goals with those of the organization.
- To provide the organization with well-trained and well-motivated employees.
- To develop and maintain a quality of work life.[2]

Human Resource Management: Functions

- Human resource or manpower

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planning.

- Recruitment, selection and placement of personnel.
- Training and development of employees.
- Appraisal of performance of employees.
- Taking corrective steps such as transfer from one job to another.
- Remuneration of employees.
- Social security and welfare of employees.
- Setting general and specific management policy for organizational relationship.
- Collective bargaining, contract negotiation and grievance handling.
- Staffing the organization.
- Aiding in the self-development of employees at all levels.
- Developing and maintaining motivation for workers by providing incentives.
- Reviewing and auditing manpower management in the organization.[3-5]

Human Resource Management: Futuristic Vision

- There should be a properly defined recruitment policy in the organization that should give its focus on professional aspect and merit based selection.
- In every decision-making process there should be given proper weight age to the aspect that employees are involved wherever possible. It will ultimately lead to sense of team spirit, team- work and inter-team collaboration.
- Opportunity and comprehensive framework should be provided for full expression of employees' talents and manifest potentialities.
- Networking skills of the organizations should be developed internally and externally as well as horizontally and vertically.
- For performance appraisal of the

employee's emphasis should be given to 360 degree feedback which is based on the review by superiors, peers, subordinates as well as self-review.

Definition of SHRM

SHRM or Strategic human resource management is a branch of Human resource management or HRM. It is a fairly new field, which has emerged out of the parent discipline of human resource management.

Strategic human resource management can be defined as the linking of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that foster innovation, flexibility and competitive advantage.

In an organization SHRM means accepting and involving the HR function as a strategic partner in the formulation and implementation of the company's strategies through HR activities such as recruiting, selecting, training and rewarding personnel.

According to Wright & McMahan, 1992, Strategic Human Resource Management refers to:

"The pattern of planned human resource activities intended to enable an organization to achieve its goals".

The Strategic Management Process includes:

- Determining what needs to be done to achieve corporate objectives, often over 3- 5 years
- Examining organization and competitive environment
- Establishing optimal fit between organization and its environment
- Reviewing and revising strategic plan[6]

The Stage in the Process of Strategic Management

Mission Statement: Business definition and future plan for success.

Environmental Analysis: OT analysis and preparing to meet environmental pressures.

Organizational Self-assessment: SW analysis and chalking road map for attaining goals.

Establishing Goals and Objectives: Laying concrete figures that will help in benchmarking the performance. These benchmarks will lead to the development of strategy that will decide how the company intends to meet its environmental challenges with given environmental and resource constraints in the time to come.

Human Resources Life Cycle

The above diagram is divided into four different colours each indicating a separate stage of HR life cycle. Each stage has specific actions or steps that form respective stage for e.g. in third stage there are six different steps involved such as step 3 to step 8.

These four stages cover all actions or functions pertaining to HR manager's job and they are related with strategic plan of the organisation.

The cycle starts with laying down a strategic plan, linking HR functions in it, and it provides the basis for Manpower planning and internal mobility. The Manpower planning will lead to the function of acquiring right people for the right job and in accordance recruitment as well as selection exercise will be designed and tools selected.

For e.g. if a automobile company decides to launch a new four-wheel model in the time to come their focus will be on Research and Development and then on Market Testing and last but foremost production and after sales.

This new plan will act as the guideline for the company and will help in determining how many people do we need and what qualifications they should possess and how many of them can be kept on full-time rolls and as permanent employees.

The next Stage is for sustaining and retaining those who are hired and making sure that they work efficiently and help the company move

in the selected direction. They should also facilitate the smooth movement of the company in the desired direction and should result in achievement of corporate goals and objectives effectively and efficiently.

Employee's performance should be rated and compared with the benchmarks, recorded deviations are to be corrected, and precautionary measures for the future are implemented. In last stage the separation or farewell to those who are non-performing or may be to those who have completed their job or task i.e. project teams, is bided.

Factor Linkages of HR Plans and Strategies

Given diagram presents various factors that have an impact on HR plans and Strategy and how are they interlinked with each other. Their interactions and impact on each element and the resulting change in HR Plan and policy is also indicated clearly.

The table given above takes into consideration two of the generic strategies and the strategic focus required to generate each of these competitive advantages along with HR strategy and activities needed to be done by HR Department to help the organization in generating these strategic advantages and to move successfully towards desired goals and objectives.

To understand these linkages we can look at them as tasks and steps needed to be taken in order to complete the tasks. The selected strategic focus should be very clear and well integrated into organizational policy and clearly communicated to HR Department to help in drafting suitable HR strategy and last in carrying out all activities.[7,8]

Key Features of Strategic Human Resource Management

- There is an explicit linkage between HR policy and practices and overall organizational strategic aims and the organizational environment
- There is some organizing schema linking

individual HR interventions so that they are mutually supportive

- Much of the responsibility for the management of human resources is devolved down the line.

Advantages of Strategic Human Resource Management

- It helps analyze the opportunities and threats that are crucial, from the point of view of the company.
- It is possible to develop strategies and have a vision for the future.
- The need for competitive intelligence, which is of utmost importance in strategic planning, is fulfilled by means of implementing strategic human resource management.
- The attrition rate can be reduced, if strategic HRM is implemented properly. It also performs the important task of motivating employees.
- Development and maintenance of competency among employees, is the most important benefit offered by strategic HRM.
- It helps determine the weaknesses and strengths of the company, thereby enabling the management to take appropriate measures.

Limitations of Strategic Human Resource Management

The process of strategic HRM is a complicated one and barriers in the growth of employees and in turn the company, if strategic HRM is not implemented properly. Following are some commonly observed problems.

- Resistance to change from the bottom line workers.
- Inability of the management in communicating the vision and mission of the company clearly to the employees.
- Interdepartmental conflict and lack of

vision among the senior management in implementing the HR policies.

- The changing market scenario which in turn creates pressure on the effective implementation of strategic HRM.[9]

Conclusion

To conclude Human Resource Management should be linked with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility.

All the above futuristic visions coupled with strategic goals and objectives should be based on 3 H's of Heart, Head and Hand i.e., we should feel by Heart, think by Head and implement by Hand.

Ideally HR & top management work together to formulate the company's overall business strategy; that strategy then provides the framework within which HR activities such as recruiting & appraising must be crafted. If it is done successfully, it should result out in the employee competencies & behavior that in turn should help the business implement its strategies & realize its goals.

According to an expert "the human resources management system must be tailored to the demands of business strategy".

In order to be successful the employees should be developed in such a manner that they can be the competitive advantage, & for this the human resource management must be an equal partner in both the formulation & the implementation of the corporate & competitive strategies.

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