

Strategic Human Resource Management: An Overview

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ABSTRACT

Human Resource is considered as the most important asset of the organisation. Strategic Human Resource Management represents a new renovation in the field of Human Resource Management. Strategic Human Resource Management links the organisations goals and objectives to its employee's objective. Strategic Management offers several financial and non-financial benefits to the company. The role of Human Resource Management is significant in the strategic management process, particularly in formulating and implementing strategies. The purpose of this study is to familiarise the concept and factors that influence Strategic Human Resource Management. The study is descriptive in nature and based upon the secondary data obtained from journals, magazines and periodicals.

Keywords: Human Resource, Human Resource Management, Strategic Human Resource Management.

INTRODUCTION:

Human Resource Management is a process of bringing the people in the organisation together to meet the individual and organisational goals. The long term perspective of Human Resource Management is known as Strategic Human Resource Management (SHRM). In recent years, Strategic Human Resource Management (SHRM) has received a great deal of attention in the fields of Human Resource Management (HRM), Organizational Behaviour, and Industrial Relations. SHRM is concerned with top management's attention and approach to HRM as a crucial strategic aspect affecting firm performance.

Strategic Human Resource Management (SHRM) enhances productivity and the value of the organizations. Implementation of SHRM in organizations has proven that the employees are able to achieve their goals and objectives. Strategic Human Resource Management utilizes the talent and skills of its employees in order to be more strong and efficient. It's an ongoing process which evaluates and controls the business, assesses its competitors and sets goals and strategies the challenges. This article first describes the concept Strategic Human Resource Management and the various factors influencing Strategic Human Resource Management.

REVIEW OF LITERATURE:

The evolution of SHRM from human resource management is focused on the issue of human resource management in organization perspective context, instead of individual perspective context and its role to support the business (Liao, 2005). The main study context was proven against the relationship and alignment of business strategy and HRM to the organizational performance (Bao et al., 2011; Shameem, 2011; Luna-arocas and Camp, 2008).

The term strategic human resource management was well-defined by Wright and McMahan (1992) as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals" (p. 298).

Kaufman and Miller (2011) observed that organizations' choice of human resource management practices normally followed the three typology developed by Delery and Doty (1996), which are universalistic,

contingency, and configurationally perspectives. The universalistic was considered to be the best practice. Meanwhile, the contingency and configurationally perspectives were considered to be best fit. However, universalistic perspective could be argued on whether or not there are actually a certain best practices that any organizations could benefit by adopting single approach. Contingency perspective could be argued that the best choice to select practices depends on each organization's context. Configurationally perspective could be argued that some configurations are better than others, and can yield more performance.

The term "Strategic human resource management (SHRM)" was introduced, according to Devanna, Fombrun, and Tichy (1981). Human resource management: A strategic perspective which shifts the focus on perform role such as training and benefit to integration and organization, driven by human resource management value added.

Human Resources theory has its own critics. There are some critics who think HRM is no different from the traditional personnel management; others cannot clearly understand what HRM consists of, while others query the existence of the alignment of the goals of the individual and the organisation (Hendry 1995).

SHRM links strategic planning and HRM in a way that the organisation's objectives are determined and personnel policies and practices aligned with those objectives (Tompkins 2002) to achieve vertical integration. Fully committed employees work at their best and enjoy job satisfaction. Policies that support mutual goals, influence, respect and responsibility elicit commitment to produce better performance (Legge 1995; Armstrong 2003). SHRM emerged as a consequence of globalization of economy resulting in increased global competition, the demand for cost optimisation and increasing skill shortages. This led to the recognition that the management of people needs to be a high priority area if organisations are to achieve their business objectives (Mello 2006). Human Resources professionals and scholars have been developing theories, policies, procedures and practices to better manage the relationship and establishing contingencies for each individual unique relationship (Bernardin 2007).

OBJECTIVE:

The objective of this study is

- To understand the concept of Strategic Human Resource Management.
- To identify the various factors influencing Strategic Human Resource Management.

METHODOLOGY:

This study is purely based on secondary data and is descriptive in nature. The Secondary data is collected from various published sources like Journals and Websites.

STRATEGIC HUMAN RESOURCE MANAGEMENT:

Strategy means future-oriented plan for interacting with the competitive environment in order to achieve the organisational goals. Strategy is a framework for managerial decisions, i.e. it shows how, when and where it should compete and for what purpose it should compete. There are two ways to look at strategy- Mainstream view and Processual view.

Mainstream View: It describes strategy as a plan.

- Strategies are plan made by top managers and corporate strategy advisors.
- Strategy is a policy and it precedes action.
- Strategy and implementation are separate.

Processual View: It describes strategy as a pattern.

- Strategy is seen as the outcome of both planned and unplanned activities.
- Strategy and implementations trend to happen simultaneously.

Strategic Management refers to the process of framing strategies, its implementations and evaluation of its effectiveness. In simple words, Strategic Management means management of organisational resources in order to achieve its goals and objectives.

Strategic Human Resource Management refers to the process of developing practices, programmes and policies that helps the organisation in achieving its objectives. Strategic Human Resource Management is a new branch of Human Resource Management. The concept of Strategic Human Resource Management ensures that the human resources of the organisation are integrated with the strategic needs of the firm. Specifically SHRM involves-

- Integration of human resource management with the strategy and the strategic needs of the firm.
- Line managers and use human resource practice as a part of their everyday work.
- Human resource policies join together both across policy area and across hierarchies.

Strategic Human Resource Management v/s Human Resource Management:

The best way to understand strategic human resource management is by comparing it with human resource management. Human Resource Management (HRM) focuses on recruiting and selecting the best employees and providing them with compensation, benefits, training and development in order to be successful within an organisation. Strategic Human Resource Management takes all these responsibilities along with the goals of other departments and overall organisational goals. An organisation that practice strategic management ensures that all their objectives are linked with the mission, vision, values and goals of the organisation.

Benefits of Strategic Human Resource Management:

- It provides a clear cut strategy for the business and a vision for its future.
- It helps the human resource department to frame strategic planning process in order to enhance the employee's competitiveness.
- It helps to identify the external opportunities and threats that may affect the company's success.
- It ensures greater productivity and efficiency.
- It supplies information regarding company's internal strength and weakness.
- Improving the innovation potential of the company.
- Enhancing the cooperation between human resource management department and line managers.

Barriers of Strategic Human Resource Management:

- The main drawback to SHRM is the lack of growth strategy and the failure to implement it.
- Commitment of the management team.
- Resistance to change and lack of co-operation from employees.

Factors influencing Strategic Human Resource Management:

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 focus on long term issues of employees and macro-concerns about structure, quality, culture, values, commitment and matching resources to future need. There are five factors that influence the SHRM

- **External Environment:** The external environment consists of social, legal, political and economic trends. The social values are changing and so are the roles. Political trends in India with Liberalisation, Globalisation and opening of FDI, reflects the issues that are most important in work places across the nations. These include focus on security, health care, tough competition and global effect on business.
- **Changing workforce:** The work force is becoming diverse and global. With globalisation, diversity is a business strategy. The workforce, hence, will further become more diverse and also complex because of the different needs and experiences. Experience and perspective of work force is one of the major factors influencing strategic human resource management.
- **Organisation culture:** Organisations are taking steps to align corporate culture to business strategy to human resource strategy. Human Resource is playing a strategic role in shaping the values of the organisations right from the hiring to developing. The impact of culture is becoming deeper as more organisations are becoming global, and the challenge is more when there is integration of culture because of mergers and acquisitions.
- **Organisation structure:** New forms of structure have
 - Strong employee involvement, staying highly attentive and adaptive to the needs of stakeholders.
 - Organic in structure with fewer rules and regulations, sometimes no clear boundaries and always changing forms.
 - Authority based on capability, ensuring that the organisations remain a means to an end and not an end in itself.
- **Technology:** Technology with all its self-service, anytime, anywhere communication capabilities is impacting strategic human resource management. It is impacting both our personals life and life at work place and is still evolving, cell phones, e-mail, messaging etc. Organisations are becoming virtual because of technology. Technology is enabling the human resource strategies to look for human resource solution framework and enable the management of employees from hire to retire.

FINDINGS AND RECOMMENDATIONS:

Strategic Human Resource Management enhances the productivity of employees and the ability of agencies to achieve their mission. By implementing Strategic human resource management business will be able to achieve its core objectives linked with personal objectives of employees. As the Human Resource Management is becoming more business oriented, Strategic Human Resource Management focus on the various new roles of human resource management. Strategic Human Resource Management has to be aligned with the corporate strategy and various functions of Human Resource Management. Strategic performance appraisal provides a dynamic link to all HR functions.

CONCLUSION:

In the current fast changing environment affecting the competence of large corporations, organizations have developed corporate strategies and have aligned strategic human resource practices to achieve a company's goals and objectives through human resources.

Strategic Human Resource Management specifies the organisation's mission, vision and objectives, and developing policies and plans, often in terms of projects and programs. The role of Human resource Management is significant in the strategic management process, particularly in formulating and implementing strategies. Human Resource Management makes strategic management highly effective by supplying human resource that is competent and committed.

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