



Strategic Human Resource Management – Progressive Mantra in Corporate Excellence

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ABSTRACT

After the advent of globalization, the awareness for implementing Strategic Human Resource Management has increased tremendously and therefore it has become critical element in developing better performance in organization. It is difficult for the organization to sustain its growth and effectiveness, unless there are strategies that complement its operations. Strategic human resource management is the process of linking the human resource function with the strategic objectives of the organization in order to improve the performance. The growing competition between the organization, changing trends in the business, requirement of innovations, quality enrichment forces the companies to face the challenge of improving their competitiveness and consequently their performance. This consciousness has impelled SHRM as a major field of study and the transformed awareness has lead to the development of newer approaches in managing organizations and human resource. Therefore this article develops a theoretical framework that explains how SHRM can be used by organizations to acquire corporate excellence at all levels.

KEYWORDS : - Strategic Human Resource Management, New approaches, Organization, Strategy, Corporate excellence, Performance.

Introduction:-

We have advanced to the era of high-tech environment. The business world is also entering the world of competitors. This illuminates the type of complex business environment that companies have to face from time to time or in the age of uncertainties. The brisk change in the business environment, reminds as that for the business to sustain, the organization has to focus on its core competencies and realize in order to keep ahead of competitors & hence this cognition lead to develop strategic human resource management. SHRM has evolved mainly to the fact that HR need to be managed strategically so that the organization can enjoy sustainable competitive benefits over the competitions. Strategic Human Resource Management is the process of linking the human resource function with the strategic objectives of the organization in order to improve performance. Several scholars have noted that managing people is tedious than managing technology or capital (Barney, 1991; Lado and Wilson, 1994).

Objectives:

- To study the HRM in today's business scenario & implemented by way of comparative study of HRM & SHRM
- To analyse the models of HRM and it links the process to Strategic Human Resource Management.
- To develop the new stages of SHRM model for performance of HRM in today's scenario.

Methodology:

The methodology of this study is done through various studies of research articles, journals, books, review study of the various concepts adopted by the various corporate.

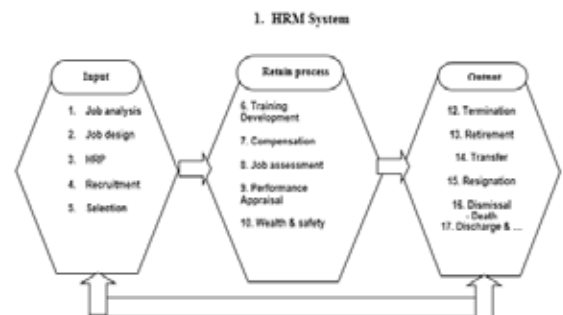
SHRM-an overview

Strategic Human Resources Management (SHRM) (Miller 1987) defines Strategic Human Resource Management practices as the decisions and actions, which concern the management of employees at all levels in the business and is related to the implementation of strategies directed towards sustaining competitive advantage.

SHRM attempts to direct HR in lane of achieving organization goals and strategies, and embeds these in different activities and operations of HR. SHRM conducts the HRM actions in a systematic approach, toward achieving strategic management.

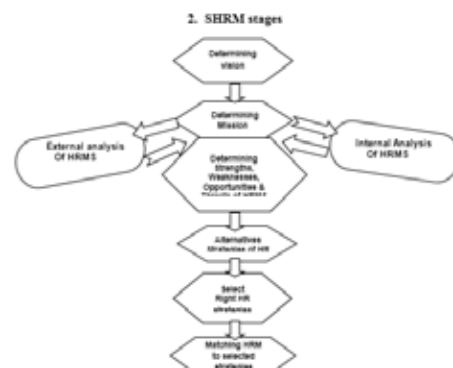
The important objectives of SHRM is related to determine HR strategies such as job analysis, job design, HRP, recruitment, compensation, training, job evaluation, performance evaluation, and

termination. If HRM is consider as a system, this system needs certain strategies by strategic management technic, based on various analysis of organizational environment this stroke lead to a concept called SHRM



Strategic Human Resource Management gives a number of benefits to the organization:

- Contributing to the organizational goal completion and the survival of the company



Comparative Study of HRM and SHRM

Though strategic human resource management is an outcome of human resource management, it is budding as an important and

self-determining field of interest for the human resource experts. Now let's analyse the important differences between strategic human resource management and human resource management.

Human Resource Management	Strategic Human Resource Management
HRM is Human Resources Management which is a planned approach to the management of employees. HRM is people process, it involves identifying and employing man power, mounting their Skills/capacities, and utilizing their skills/services.	At present, HRM has entered the world of changes, and the latest one is the Strategic HRM which is the most influential idea in the management.
HRM is a traditional approach of management. It does not contain any firm rules in the process of selection and recruitment, imparting training nor in utilizing the services of the employee	SHRM has definite/specific rules in every areas of management. This concept gives SHRM a different look.
HRM system is rigid; the different areas of HRM are not handling by different person or by skilled managers	In SHRM recruitment, selection, training & development are been handled by an experts not by one individual. This theory throws a light on the need of SHRM in present competitive market.
In HRM we mainly focus on building employee relations	Whereas in SHRM we mainly focus on building a relation with internal and external customers.
In traditional human resource management, proceedings are taken only when they are needed.	By contrast, with strategic human resource management, systems are put in position to handle any possible human resource issues before they happen.

Both HRM and SHRM use more sophisticated method for improving the performance of the individual, motivating the employees and meliorate the productivity of the organization. This comparative study tells that strategic human resource management uses a more hands-on form of managing people in better manner instead waiting until something needs to be done to assess the state of affairs.

The Impact of SHRM on Organizational Performance.

The growing awareness in approaches measurement is further encouraged by a growing number of studies that show a positive relationship between human resource management and organizational performance. Organizations with promising strategy had significantly higher levels of both productivity and quality than those with a control strategy (Arthur 1990, 1992, 1994)

The most flourishing companies had what the researchers called 'the big idea'. The companies had a clear vision and a set of incorporated values which were rooted, long-term, collective, measured and managed. Clear evidence existed between positive attitudes towards HR policies and practices, levels of satisfaction, motivation and dedication, and effective performance. (Purcell et al 2003).

The statement supporting the practice of HRM is that people are the organization's key resource and organizational performance largely depends on them. If, therefore, a suitable HR policies and processes and strategies is developed and implemented effectively, then HR will make a substantial impact on firm performance. Much prevailing question: 'Do HR practices make a affirmative bang on organizational performance?'; 'If so, how is the bang achieved?' The second question is what can be done to ensure that it is a good thing (SHRM). Even though there are different stakeholders in an organization, the strategic goal of any business is profit maximization or maximization of wealth for the shareholders. Performance of an organization depends on effective operational performance. The operational performance of an organization is a function of people, process and technology. For effective interaction of people with technology and process, the people in the organization have to be talent enough, with the required knowledge, skill and abilities. Competence of the individual is an important factor that decides organizational effectiveness in terms of providing quality products and services within a short time. HRM practices such as selection, training, and performance appraisal may enhance the competence of employees for higher performance. HR professionals (and line managers) need to identify that effective strategy implementation is the basis of shareholder value and that effective strategy implementation is a system of intermediate outcomes. Thinking like a strategy manager means, identifying the importance of the causal relationships between HR decisions and these intermediate outcomes that ultimately drive strategic success in organizations.

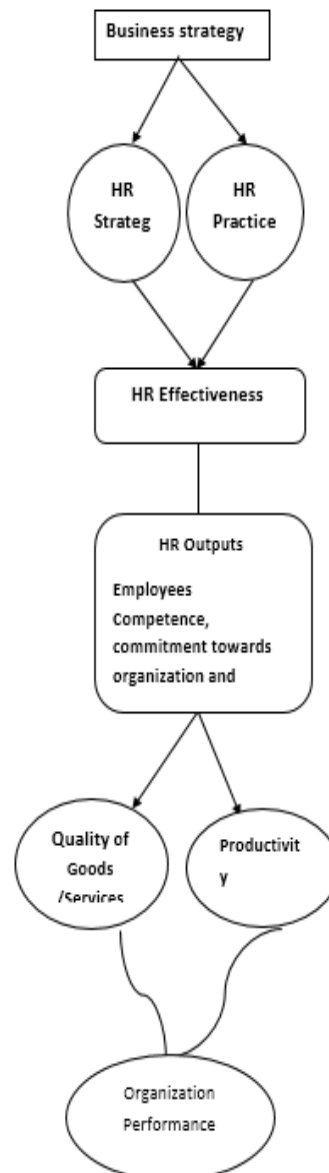
Strategic Human Resource Management- The concept of strategic HRM was first formulated by

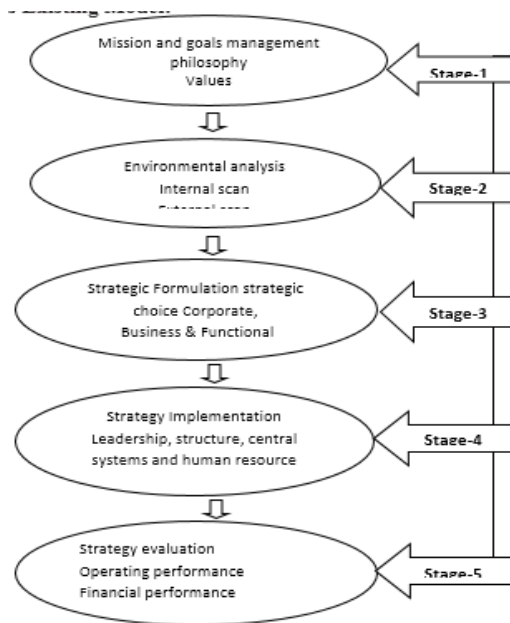
Fombrun et. al. in 1984. They have mentioned that three core elements are necessary for firm to function effectively, mission and strategy, organization culture and human resource management. They defined strategy as a process through which the basic mission and objectives of the organization are set, and a process through which the organization uses its resources to achieve its objectives. But their most important conclusion was that "HR systems and organizational structure should be managed in a way which is congruent with organizational strategy (Malik, 2009).

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The Relationship B/W HRM and Organization Performance





SHRM's Existing Model:

Inferences:

Strategic Human Resource Management appears as a cycle in which a number of activities follow and depend upon one another. The strategic human resource management process is typically classified into five stages:

1. Mission and goals
2. Environmental analysis
3. Strategic formulation
4. Strategy implementation
5. Strategy evaluation.

The diagram above explains how the five stages interact with each other. At the corporate level the strategic human resource management includes activities that range from appraising the organization's mission, goals to strategic evaluation and implementation.

The first stage in the strategic human resource management model starts with the top managers evaluating the organization's current mission and goals. The mission describes the organization's values and aspirations. Goals are desired end which can be achieved through the actual operational procedures of the organization.

The second stage indicates an Environmental analysis, which is looked as internal organizational strength and weakness and the external analysis as opportunities and threats. The study of this analysis gives a clear view to SHRM.

Strategic formulation involves evaluating the interaction between strategic factors and making strategic choices that guide managers to meet the organization's goals. Some strategies are formulated at the corporate, business and specific functional levels. These strategies help in drawing decision and actions on the problems faced within the organization.

The incorporating strategic stages throw glow on the power exercised by the decision-makers in the light of organizational values. It provides important insight into how the employment relationship is managed.

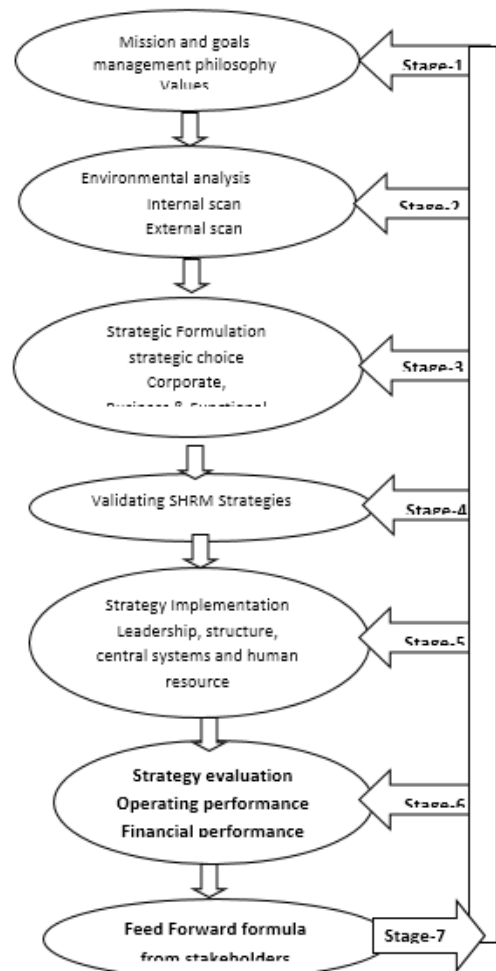
Strategy implementation is a part of activity that focuses on the techniques used by managers to implement their strategies. In sense, it refers to activities that deal with leadership style, the structure of the organization, the information and control systems, and the manage-

ment of human resources.

Strategy evaluation is a stage that determines to what extent the actual change and desired change and performance match.

The Strategic Human Resource Management model shows the five major activities as forming a rational and linear process. It is, however, important to note that it is a relative model, that is, it shows how SHRM should be done rather than describing what is actually done by senior managers (Wheelen & Hunger, 1995). Strategic Human Resource Management is process which bridges the gap between reality and theoretical model approach.

Elegant SHRM Model for New Era



Inferences:

Strategic Human Resource Management appears as a cycle in which a number of activities follow and depend upon one another. The strategic human resource management process in a present model typically classified into five stages:

We found that the existing 5stages of SHRM are not matching to the peak level of SHRM in today's Scenario so that we came up with 2 new stages of SHRM which can support the performance of HRM.

1. Mission and goals
2. Environmental analysis
3. Strategic formulation
4. Validating SHRM Strategies
5. Strategy implementation
6. Strategy evaluation.

7. Feed Forward formula from stakeholders

The above diagram explains how the five stages interact with each other and also explains the corporate level strategic human resource management includes activities that range from appraising the organization's mission, goals to strategic evaluation and implementation.

Strategy evaluation six stages that determine to what extent the actual change and the level of desired changes to performance match.

Feed Forward formula from stakeholder's seventh vital stage to the organization wherein it gives the clear cut of standard and achieved targets. This is wherein, it helps the organization in getting the information, control system and managing of human resources

Conclusion:

The adoption of SHRM has been driven by a range of stake holders with different interest and expectation it has been interpreted differently around the world, but globalization has encouraged an increasing convergence. In recent years improvement in SHRM matrix have resulted clear evidence for the effectiveness of HR initiatives the performance and relationship management has progressed over the years because of new mantra called SHRM in the new millennium in HR specialists are focusing on SHRM to compete in the global market

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