



“Strategic Human Resource Management”

* Dr. M. Venkatasubba Reddy ** B. Swetha
*** S. Jaya Krishna

* Professor & HOD, Vivekananda Institute of science and Information Technology, Shadnagar

** Asst.professor, Vivekananda Institute of Science and Information Technology

*** Research scholar, Prof. & HOD

ABSTRACT

The purpose of this article is twofold. It provides a brief review of the major theoretical and empirical work completed to date in Strategic Human Resource Management (SHRM), focusing most closely on the fit of HRM practices into a coherent system. Secondly, several issues critical to empirical research in SHRM on which researchers must focus greater attention. To date, there is clearly no consensus as to how important human resource management is to competitive advantage. There is growing evidence that the management of human resources is critical to productivity and performance.

Keywords : SHRM, Strategic Approach, Process of Strategic Management, Human Resource Life Cycle, Factor Linkages.

INTRODUCTION:

Strategic Human Resource Management:

The human resource management that aims to improve the productive contribution of individuals while simultaneously attempting to attain other societal and individual employee objectives has undergone drastic change with the passing years.

We all know that HRM is concerned with the “people” & keeping the fact in mind that HRM help in acquiring, developing, stimulating & retaining the outstanding employees as it gives both effectiveness & is now termed as strategic Human Resource Management.

The Changing Role of HRM:

The role of human resource management is changing & is changing very fast, to help companies achieve their goals. HRM has gone through many phases from hiring & firing to relationship building, from there to legislation role, & now its role is shifting from protector & screening to strategic partner & as a change agent.

Defining SHRM:

Organizational use of employees to gain or keep a competitive advantage against competitors. In today's flattened, downsized & high performing organizations, highly trained & committed employees – not machines – are often the firm's competitive key. Perhaps the most drastic change in HR's role today is its growing involvement in developing & implementing the company's strategy

In order to understand the modern aspect of HR i.e. SHRM, lets discuss the terms which would help us in understanding the concept:

- o Core competency can be defined as – A unique capability in the organization that creates high value and that differentiates the organization from its competition.
- o Mission Statement explains purpose and reason for existence; it is usually very broad, not more than a couple of sentences & it serves as foundation for everything organization does.
- o Strategy: the company's plan of how it will balance its

internal strengths & weaknesses with external opportunities & threats in order to maintain a competitive advantage, earlier this role was performed by the line managers, but now it is carried by the HR manager.

Strategies increasingly depend on strengthening organizational competitiveness and on building committed work teams, and these put HR in central role. In the fast changing, globally competitive and quality oriented industrial environment, it's often the firm's employees – its human resources – who provide the competitive key. And so now it is a firm's strategic plan, rather than to let HR react to it. That means now the role of HR is not just to implement the things out but also to plan out in such a manner that the employees can be strategically used to get edge over the competitors, keeping in mind the fact that this is the only resource (HUMANS), which cannot be duplicated by the competitors.

Strategic Human Resource Management:

- There are several key advantages of strategic human resource management, including selective hiring, encouraging optimal employee performance, and promoting a constructive work environment.
- Instead, they are expected to follow instructions passed down from high level professionals. Other important methods for strategic human resource management involve recruitment strategies and processes. In these processes, human resource workers participate in finding the best candidates for open positions.

Strategic Approach to Human Resource Management:

- When used correctly, strategic human resource management faster a collaborative working environment that drives the organization towards performance excellence. The primary goal of strategic human resource management is to acquire and retain valuable human capital in the form of employees who will strive towards fulfilling the organization's main objectives.
- For instance, many human resource workers might discuss the importance of diversity in the workplace and opportunities for employees to speak their minds about work related issues. It is also common for strategic human resource management professionals to take more of

a top-down approach. This management method is also known as a control based model.

The Strategic Management Process: it 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.

The Stages in the Process of Strategic Management:

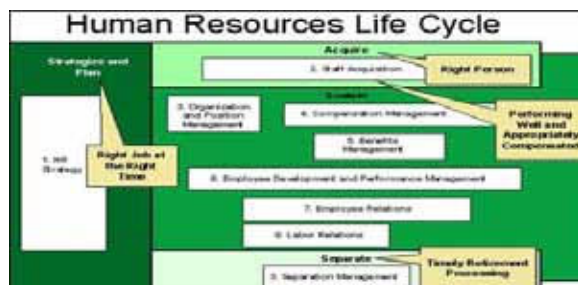
- Mission statement: Business definition and future plan for success.
- Environmental analysis: OT analysis and preparing to meet environmental pressures.
- Organizational self assessment: SW analysis and checking road map for attaining goals.
- Establishing goals and objectives: Laying concrete figures 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.



Benefits of a Strategic Approach to HR:

- Facilitates development of high-quality workforce through focus on types of people and skills needed.
- Facilitates cost-effective utilization of labor, particularly in service industries where labor is generally greatest cost.
- Facilitates planning and assessment of environmental uncertainty, and adaption of organization external forces.
- Successful SHRM efforts begin with identification of strategic needs.
- Employee participation is critical to linking strategy and HR practices.
- Strategic HR depends on systematic and analytical mind-set.
- Corporate HR departments can have impact on organization's efforts to launch strategic initiatives.

Human Resource Life Cycle:



The above diagram is divided into four different colors each indicates a separate stage of HR life cycle. Each stage has specific actions or steps that form respective stages for e.g.

in third stage there are six different steps involves such as steps 3 to 8. These four stages cover all actions or functions pertaining to HR manager's job and they are related with strategic plan of the organization.

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 posses and how many of them can be kept on full time 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 b corrected, and precautionary measures for the future are implemented. In last stage completed their job or task i.e. project terms, 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 and policy is also indicated clearly.

CONCLUSION:

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 and appraising must be crafted. If it is done successfully, it should result out in the employee competencies and behavior that in turn should help the business implement its strategies and realizes its goals.

According to an expert "the human resource 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, and for this the human resource management must be an equal partner in both the formulation and the implementation of the corporate and competitive strategies.

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