

STRATEGIC HUMAN RESOURCES MANAGEMENT FOR SUSTAINABLE DEVELOPMENT

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INTRODUCTION

Strategies are directions that an organization or a country adopts to achieve a set of goals. They are usually environmental and time specific, with the aim of utilizing available resources (human, time, technology, material, money and information) to achieve set goals. It is generally accepted that the human resources provide the competitive edge for businesses, public sector organizations and a nation. The performance and productivity of a nation depend on the quality of human resources that are available for deployment to various positions. By nature, strategies are longer term intentions of how resources will be allocated to cope with opportunities and threats in an organization. Strategic Human Resources Management (SHRM) constitutes a number of decisions that are aimed at managing present and needed human resources for the sustainability of an organization. The expectation of the citizens of any country is sustainable development. The Millennium Development Goals (MDGs) are aimed at sustainable development. The United Nations currently evaluated the MDGs to see how far they have assisted all countries to achieve sustainable development. Towards this end, another set of sustainable development goals are being considered to replace the MDGs. The critical factor in the formulation, implementation, monitoring, control and evaluation of all sustainable development programmes and projects at all levels are the human resources. The resources which employees bring to an organization are: skills, experiences, judgement, abilities, knowledge, wisdom, goodwill and their personal network. These invaluable resources make human resources the bedrock of sustainable development and also underscore the relevance of this topic to African managers.

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There have been many studies on strategic human resource management (Walsh, Sturman & Longstreet, 2010; Barney & Wright, 1998; and Lawler & Mohrman, 2003) Similarly, there are studies on the role of human resources in sustainable development(Angheluta, Margina, Zaharia & Arionesei, 2014; Dumitrana, Dumitru, Jiani, Jinga & Radu , 2009). However, very few studies have been conducted on strategic human resource management for sustainable development. This paper aims to fill part of this gap in the literature. The objective of this paper is to discuss through an integrated framework of strategic human resource management for sustainable development the relationship between strategic human resource management variables and sustainable development.

CONCEPTUAL CLARIFICATIONS

There are many definitions of Strategic Human Resources Management (SHRM), in the literature. A few of these are provided here. Dressler (2001), defines SHRM as accepting the Human Resources (HR) function as a strategic partner in the formulation of an organization's strategies as well as the implementation of the strategies through HR activities, such as recruiting, selecting, training and rewarding personnel. This definition places human resources management at the same level as other major functions of an organization. Practically this means that the Head of the HR department becomes a member of top management team. In the same vein, Wright and McMahan (1992), define SHRM as the planned human resource deployments and activities intended to enable an organization to achieve its goals. From these two definitions, the operational definition of this paper is that SHRM is centred on making long term decisions and actions about employees at all levels and categories in an organization in order to achieve organizational goals.

Sustainable development has been popularly accepted to mean development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundland Report, 1987). The acceptance of the Brundland Report led to setting of the principles of sustainable development at the United Nations Conference on Environment and Development in Rio de Janeiro, Brazil. The outcome was the general acceptance of the three pillars of sustainable development, which are: economic development, social equity and environmental protection.

This paper is not an assessment of the achievement of the sustainable development pillars and derived goals but it is sufficient to note that a lot is still yet to be achieved. Since the performance of human resources at the national and international levels is the bed rock of attaining sustainable development goals, then this topic is highly relevant. The various national reports on the achievement of the Millennium Development Goals, indicate that there is a huge gap, particularly in African countries between the multilateral sustainable development goals, national action and subsequent outcomes.

APPROACHES TO STRATEGIC HUMAN RESOURCES MANAGEMENT

There are four popular approaches to Strategic Human Resources Management in the literature. These are the Harvard Model Postulated by Beer et al (1984); the Michigan/Matching Approach propounded by Fombrum Tichy and Devama (1984); the Guest Approach proposed by Guest (1987) and the Storey Approach proposed by Storey (1989).

The Harvard Approach

This approach focuses on the Human relations or the staff side of HRM. This description is derived from the fact that the approach sees employees as having influence on organizational outcomes just as any other shareholder. The implication of this position is that HR strategy should focus on employee influences, human resources flow, reward systems and work systems. This approach argues that it is the human resources that give any organization the competitive edge over other organizations in the same industry. Figure I show the Harvard approach.

The Harvard Approach

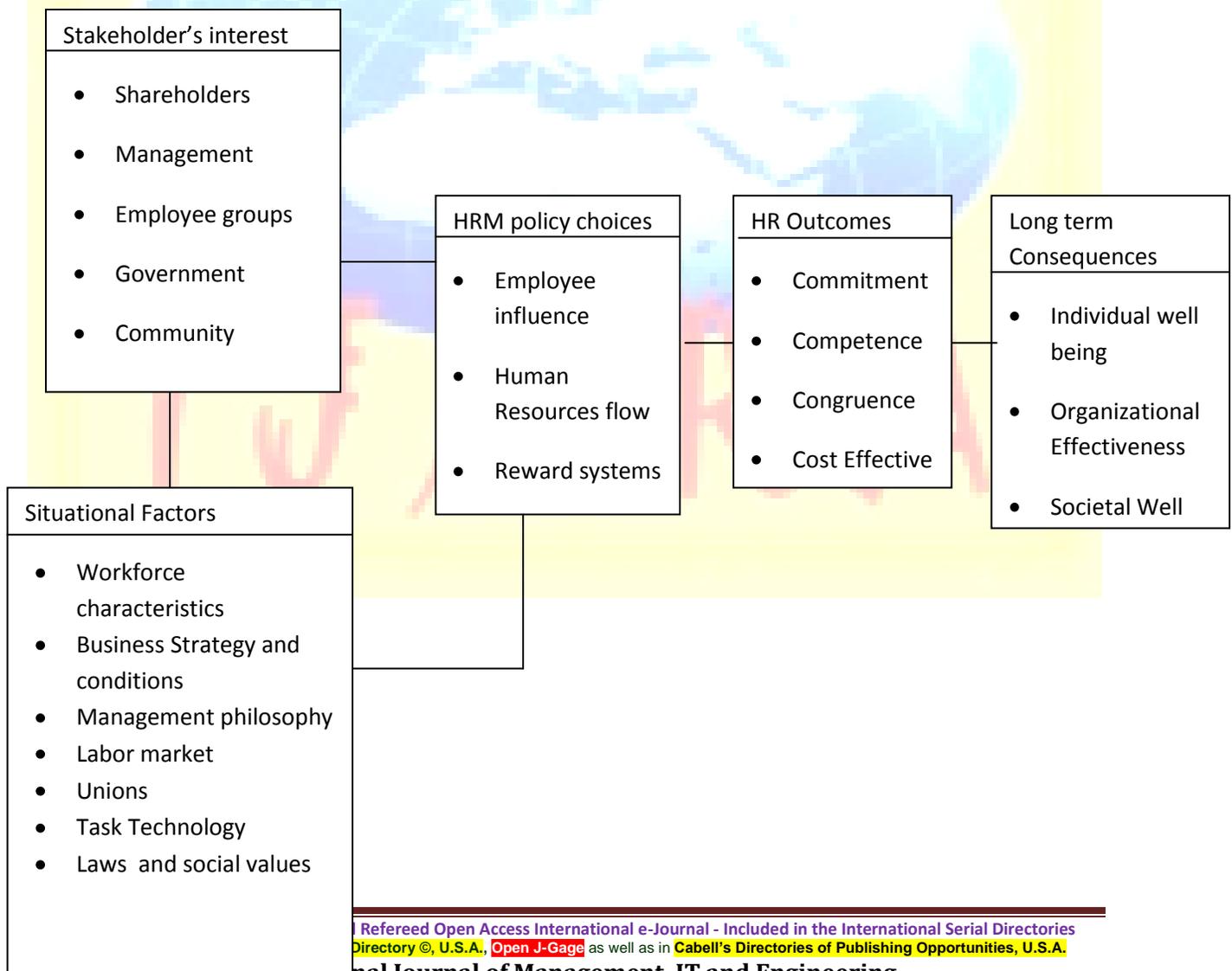


Figure 1. The Harvard Approach

Source: Beer et al 1984

The Harvard Approach is a popular approach due to the link between strategic human resources management and expected organizational outcomes. This approach sees employees as resources that cannot be managed the same way as other resources. The Harvard model outlines four human resources policy areas which are:

- Human Resources flows – recruitment, selection, placement, promotion, appraisal and termination
- Reward systems
- Employee influence – authority, responsibility and power
- Work systems – work design

The systematic adoption of this approach is expected to lead to human resource commitment, congruence, competence and cost effectiveness (Allan, 2012)

The Michigan Approach

This approach was proposed by Fombrum, Tichy and Devanna (1984). The approach is also known as the Matching Model as it emphasizes a “tight – fit” between Human Resources Management Strategies and Business Strategies. This implies that the organization’s human resources must be able to carry out the jobs in an organization. The approach sees the human resources like any other resource (financial, material, technology and time among others). It focuses on the cost effectiveness of labor which states that labor should be obtained at minimum cost and should be utilized maximally. This approach is known as the “hard” approach to SHRM. It proposes that HRM should be aligned to an organizational strategy and structure. The School developed the idea of SHRM which involves the interconnection of business strategies, organizational structures and HRM variables. These HRM variables are: selection, appraisal, rewards and development. The approach proposed an alignment of the formal organizational structure with the HR components so as to achieve the strategic goals of an organization. Figure 2 diagrammatically shows the Michigan approach.

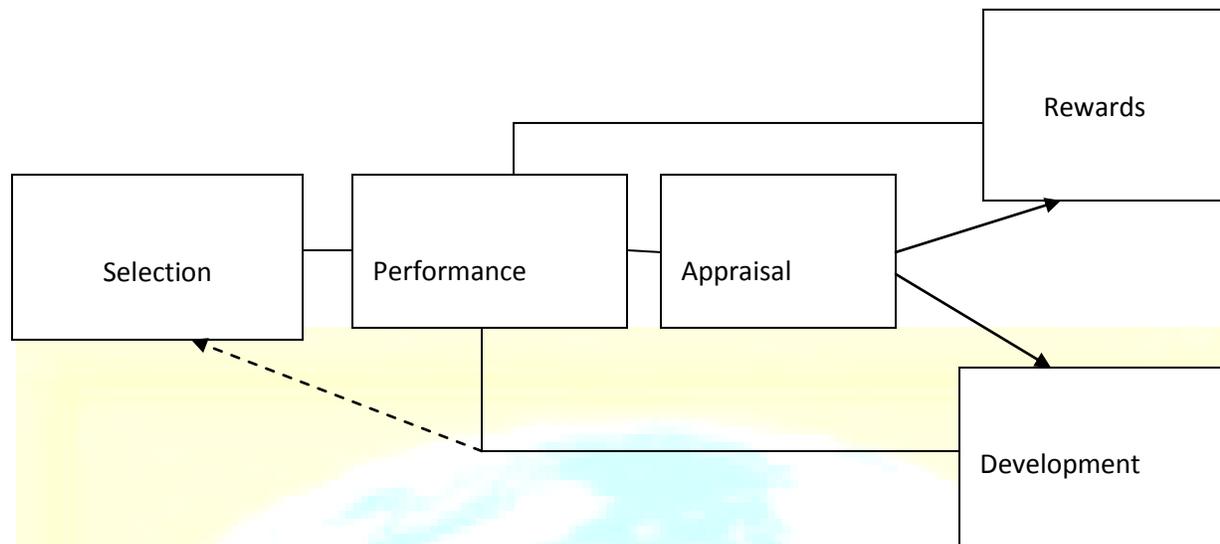


Figure 2: The Michigan Approach
Source: Tichy et al (1982)

The Guest Approach

This approach can be regarded as a combination of the “soft” approach of the Harvard approach and the “hard” approach of the Michigan school. The approach proposes that organizational effectiveness is a function of strategic integration, high commitment, quality and flexibility. Strategic integration refers to the ability of organizations to maintain a fit between the human resources strategies and the business strategies.

Flexibility refers to the ability of an organization and its people to adapt to the changing business and work environment as well as the capacity to manage innovation. This could be in terms of number, flexibility in job functions, pay and distancing. High commitment refers to behavioral commitment to the achievement of the goals that high quality staff will result in high quality goods and services (Guest, 1987)

The Storey Approach

Storey (1992), focuses on the diverse nature of SHRM in terms of “hard” and “soft” versions. The ‘hard’ version of HRM emphasizes that people are important resources through which an organization can achieve competitive edge. The ‘soft’ version is the approach that emphasizes communication, motivation and leadership aimed at treating employees as valued assets. Employees are therefore “means” to achieving organizational goals and not “objects” to be used. Storey at (1992), also locates HRM at the strategic level of an organization. The approach emphasizes the important role of line managers in human resources management. It also

proposes that organizational cultural management is more important than managing procedures and systems.

APPROACHES TO SUSTAINABLE DEVELOPMENT

The concept of sustainable development became visible worldwide in 1972 at the United Nations Conference on the Human Environment in Stockholm. The international community agreed at the Conference that development and environmental issues should be merged. The concept of Sustainable Development(SD) formed the basis of the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 and was accepted as the solution to the problems of environmental degradation.

Two current approaches to sustainable development are the Millennium Development Goals (MDGs) and the proposed Sustainable Development Goals (SDGs). Eight MDGs were agreed to at the United Nations Millennium Summit, held in New York in September 2000. The eight-point agenda that were set to promote Sustainable Development from 2000 to 2015 were:

- Eradicating extreme poverty and hunger;
- Achieving universal primary education;
- Promoting gender equality and empowering women;
- Reducing child mortality;
- Improving maternal health;
- Combating HIV and AIDs, Malaria and other diseases;
- Ensuring environmental sustainability; and
- Developing a global partnership for development.

Achievements of the MGDs have been made in the areas of poverty reduction in many countries, among others. Sachs (2012), reports that the economic growth in China, positively affected developing countries as a whole. However, there were shortfalls in the environmental goals. The world is undergoing serious environmental challenges that require more improved strategies. Increasing world population that is expected to reach 10 billion by the end of the 21st century and the corresponding utilization of resources are causing a fast depletion of natural resources. These resources include: carbon nitrogen, water cycles and climate change (Sachs, 2012). Towards this end, the UN Secretary-General Ban ki Moon issued a report recommending that the world should adopt a set of Sustainable Development Goals(SDGs). It is expected that the SDGs would help to move the world to the expected sustainable level (Sachs, 2012). The proposed sustainable development goals are to:

1. End poverty in all its forms everywhere for example, eradication of extreme poverty for all people everywhere, currently measured as people living on less than \$1.5 a day.
2. End hunger, achieve food security with improved nutrition and promote sustainable agriculture. An example is to end hunger and ensure access by all people in particular the poor

and people in vulnerable situations including infants to safe, nutritious and sufficient food all year round.

3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequity within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable
12. Ensure sustainable consumption and production patterns
13. Take urgent action to combat climate change and its impacts.
14. Conserve and use the oceans, seas, and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainable managed forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16. Promote peaceful and inclusive societies or sustainable development provide access to justice for all and build effective accountable and inclusive institution
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

CONCEPTUAL FRAMEWORK

The conceptual framework for discussing SHRM for sustainable development is drawn from the SHRM approaches and the two sustainable development approaches. Figure 3 shows this framework. The framework adopts an integrated modified version of the Harvard, Michigan, Guest and Storey approaches to SHRM.

SHRM Functions

The framework starts with five key SHRM functions which are constant irrespective of the change of nomenclature from personnel management to human resources management. Selection is aimed at obtaining the right quality of employee at minimum cost to achieve an organization’s human resources requirements. Whatever selection method is used, the selection of incompetent employees is usually costly for an organization and leads to non – achievement of organizational goals. Sustainable development cannot be achieved with faulty selection and appointment process. At the national level, political appointments to Ministries, Departments and Agencies (MDAs) based on party patronage alone without the requisite qualifications, experience and competencies have resulted in wanton utilization of resources.

A Integrated Conceptual Framework of Strategic Human Resources Management For Sustainable Development

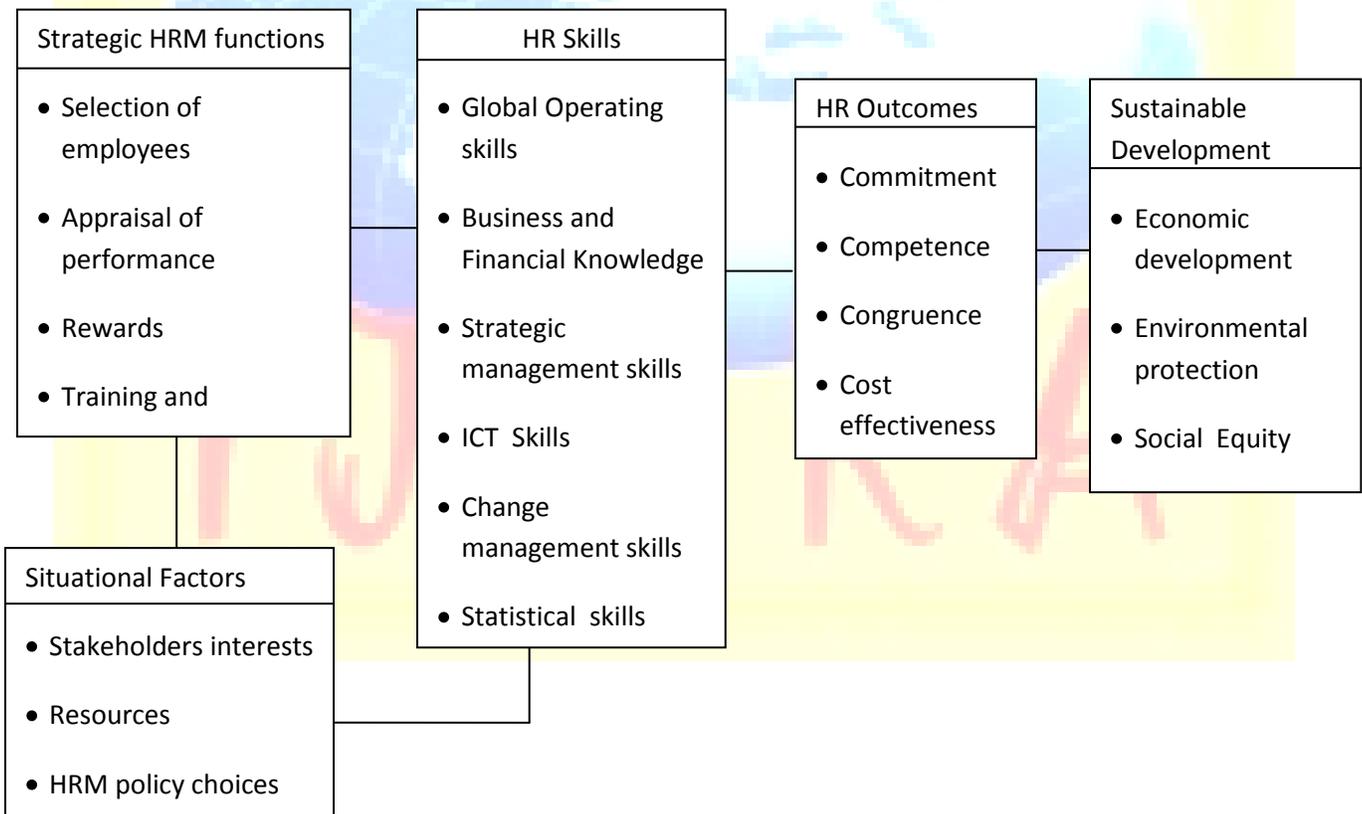


Figure 3.
Source: Writer

Employee performance appraisal is the formal assessment of employee by their superior officers. Getting the right balance of subjective and objective criteria has been a problem of performance appraisal. There is also the need to link employee performance appraisal to training and development, deployment and rewards. Ward (1993), recommends the 360 – degree feedback which is the collection of feedback on performance derived from the many performance dimensions and multi-raters.

Rewards are payment in cash or in kind in return for employees' skills, abilities competences and time put in to achieve organizational goals. An effective reward system should be satisfactory to the organization, stakeholders and employees.

Training and development are interwoven. Training can be defined as the planned and systematic acquisition of skills, knowledge and attitudes that are needed for an employee to perform on the job. Development is the provision of learning and educational experiences on the job. High quality employees for sustainable development can only be available through appropriate training and development.

Situational Factors

Every organization operates within a certain situation known as the environment. The key environmental factors of this model are stakeholders' interest, resources and human resource policy choices

HR Skills

The interaction of situational factors and the Strategic Human Resources Management function would influence the development of skills and competencies for sustainable development. The major skills in the Model are global operating skills; business and financial knowledge, strategic management, ICT skills, change management skills and statistical skills.

Global operating skills are skills such as international cultural and linguistic knowledge which are required for operating in countries other than that of the employee. Global operating skills are also required to work in any diverse situation. Working with people from different ethnic, religious and cultural background needs special skills to overcome inherent prejudices.

Sustainable development cannot be achieved without business and financial knowledge. Achieving international, national and organizational goals depend on businesslike approach in managing the available limited resources. Sustainable development programmes and projects have to be managed with financial prudence to avoid misappropriation and misallocation.

Strategic management skills are required to visualize the future of an organization at least three years ahead. Common core strategic management skills include analytical, innovative, visualization, leadership, and critical thinking skills. Inaccurate assessment of a situation leads to wrong conclusions.

Sustainable development requires change. Change management skills are required for ensuring that programmes directed at moving people from where they are to a new and higher level are thoroughly executed. There are many models for managing change in the literature. Among these are: Lewin (1950), Waterman et al (1978) and Kotter (1996). Statistics provide the bedrock of objective planning and decision making. Sustainable development cannot be achieved without policies, programmes and projects based on accurate statistics. Long term planning in any form relies on statistics. Forecasting future trends and needs rely on statistical analysis. Statistical skills are therefore required by government officers, NGOs and private companies for sustainable development.

Human Resources Outcomes

The skills in this model are not exhaustive but their acquisition leads to commitment of employees, competent staff, congruency of goals of individuals and organizations as well as cost effectiveness in organizational operations. Project implementation, monitoring and evaluation need managers with statistical knowledge.

Sustainable Development

Sustainable development is a process of ensuring that all finite resources continue to be available for human use. It is a process of ensuring a future for human societies where resources and living conditions meet human needs. Economic sustainability refers to sustainable consumption and production including availability of goods and services, household needs, industrial growth and efficient use of labour.

STRATEGIC HUMAN RESOURCES MANAGEMENT CHALLENGES

The nightmare of Chief Executives in all organizations is how to get their employees to carry out the jobs they have been employed to do. The competitive nature of the global environment poses challenges to the human resource manager in the areas of appointment, retention, reward and commitment of employees. The ideal is to get employees who are committed enough to work beyond the terms of their contract.

Appointment processes in many public organizations that are to provide the enabling environment for sustainable development are flawed and most often not transparent. The prevalence of a large workforce with many qualified candidates and very limited jobs are catalysts to jettisoning merit criteria for “who you are/ who you know”. Appointments based on “who you know” oftentimes have negative impact on effective SHRM when there is a mismatch in the skills possessed by the candidate and the skills required for the job.

Corruption cannot be ruled out as constituting an impediment to SHRM. Appointment, deployment and performance appraisal are known areas that are prone to corruption. Corruption

is a routine deviation from established standards and norms by public officials and parties with whom they interact. It is further explained as the dishonest and illegal behavior exhibited especially by people in authority for their personal gain. The United Nations Global Programmes Against Corruption (2002), defines corruption as “abuse of power for private gain”.

The inability of HR manager to recommend top management staff and political appointees for much needed capacity development programmes is another area. Political appointees and top management staff are not immune to going for capacity development programmes but organizational norms do not permit the HR manager to point out overtly or covertly that the Chief Executive, Minister, or Commissioner is weak in some areas and could benefit from a Conference or Workshop. Willingness to attend capacity development programmes is mostly initiated by the top management staff, for overseas programmes.

HR managers have to contend with high costs of hiring highly experienced staff versus hiring cheaper inexperienced ones. In this current situation of dwindling national resources and relatively low economic growth rate, employers of labour often settle for less qualified and experienced applicants rather than hire highly qualified and experienced applicants because of budgetary constraints. The consequence is usually low performance and higher cost of training and development.

In a survey conducted by PricewaterhouseCoopers on behalf of the World Federation of Personnel Management Associations, top ten human resources challenges were identified concerning human resource management (University Alliance, (2015). The challenges in order of importance are:

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| ➤ Change management | 48% |
| ➤ Leadership development | 35% |
| ➤ HR effectiveness measurement | 27% |
| ➤ Organizational effectiveness | 25% |
| ➤ Compensation | 24% |
| ➤ Staffing, recruitment and availability of skilled local labour | 24% |
| ➤ Succession planning | 20% |
| ➤ Learning and development | 19% |
| ➤ Staffing: Retention | 16% |
| ➤ Benefits costs: Health and Welfare | 13% |

These challenges, they concluded cut across national and regional differences.

Change management tops the list for obvious reasons. Most employees resist change for many reasons which abound in the literature. Fear of change, loss of benefits, and ignorance of gains from the change are some of these reasons. Leadership development is considered the second most important factor. Managers need to be equipped to take on leadership roles in the future to ensure sustainability of organizations. HR effectiveness measurement has not been considered as a critical factor in SHRM. The perception is that HR is a “spending” department not an income earning one yet without their effectiveness all other departments may not achieve their aims and objectives.

Organizational effectiveness refers to the achievement of the mission and goals of an organization. The HR department is also sometimes hindered by the leadership, policies, and government regulations. Inadequate compensation of employees creates a demotivated workforce and aids moonlighting as well as increased absenteeism. Inadequate recruitment procedure affects the quality of selected staff. Succession planning can be tied to leadership development. Job enrichment and job enlargement are means of ensuring employee development and acquisition of needed skills. Learning and development are often not taken seriously by some employees who usually come late to training sessions and are more interested in the certificates than the learning content. The problem of brain drain is real. Top level academicians and other professionals seek greener pastures in other countries where they can be better compensated. Lastly the issue of benefit in terms of cost and insurance has led to the paradigm shift from non-contributory pension system to the contributory pension system.

A major external dilemma facing the HR practitioner is the poor quality of many graduates from the University system. Nigeria is a typical as where Universities have serious constraints in acquiring state of the art technology for teaching students.

A survey by the United States National Association of Manufacturers reported a moderate to severe shortage of skilled workers (Ezekiel, 2009). The HR practitioner makes use of the products of tertiary institutions hence their knowledge and capabilities need to be adequate before on the job training and development can be incrementally undertaken. There are many more country specific challenges to strategic human resource management that are beyond the scope of this paper.

CONCLUSION

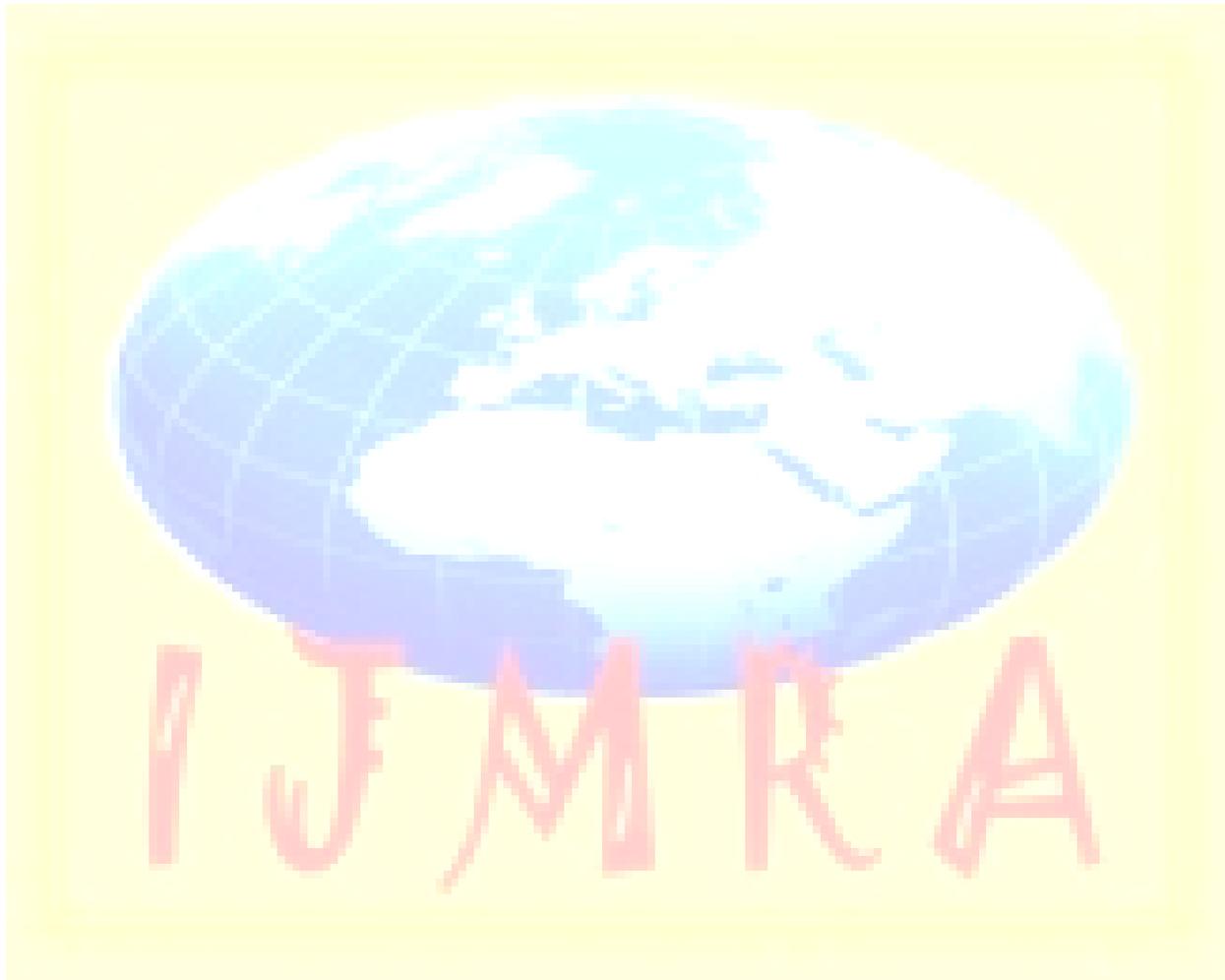
The position of SHRM is that the human resource is critical to the success of an organization not only at the operational level but also at the strategic apex of an organization. Organizational policies, programmes, processes and procedures are managed by the human resources. There is

therefore the need to envision employees that will 'fit' the achievement of organizational goals. Sustainable development depends on the performance of MDAs, the private sector, NGOs and the citizenry. Organizational performance is the aggregate performance of all employees of an organization. Each country has to determine the areas of gap in the sustainable development goals and then analyze the human capital requirements and skills needed to achieve the needed goals. Human resource policies should not undermine merit in appointments, promotion and deployment.

RECOMMENDATIONS

- A major thrust of SHRM that differentiates it from personnel management is the devolution of major human resources management functions to line managers rather than restricting them to personnel specialists. This is a major paradigm shift that implies that all managers in the upper echelon of an organization should possess the critical skills for managing their employees. Through this, long term human resource strategies can be better linked to overall organizational strategies.
- Each organization should have a HRM policy document that states the HRM vision and mission of the organization. HR policies should be aligned with the sustainable development needs.
- The role of the MDAs in the achievement of sustainable development goals should be clearly stated so that organizational human resources can be deployed accordingly.
- There should be regular HR competency audits to ensure that existing personnel possess competencies that contribute to sustainable development
- Organizations should organize workshops on sustainable development for their staff as a means of helping them to understand projects that relate to sustainable development. Long term plans should be made to sustain the stock of human capital in the event of attrition.
- There should be "internal and external fit." An organization should developed HRM policies and strategies that fit the business strategies or long term plans. Similarly, there should be HRM policies that "fit" the requirements of the industry or international requirements.
- Developing countries can adopt 'good' SHRM policies and practices that have been found to be positively related to the achievement of sustainable development goals. SHRM practices that enhance employee commitment to the achievement of the vision and mission of an organization, support team work, and provide incentives for performance should be emulated.

- SHRM for sustainable development can only succeed when organizations can appoint and retain talented employees. The employees of an organization must first be sustainable before the organization can achieve the sustainable development goals.
- Management Development Institutes (MDIs) should review their training and development programmes to include the identified skills.



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