

**STRATEGIC HUMAN RESOURCE MANAGEMENT:
CREATING AND MANAGING TOMORROW'S
WORKFORCE**

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Abstract

The companies these days are on the edge of the cliff due to cut throat competition, technological changes, and innovation. The essence has been gradually shifting from traditional management style to modern management style that is total development of human resource in the organization. Rapid technological changes have thrown challenges to human resources in the organization. Business today demands change and challenges. Modern organization requires human resources to play a key business role, not as mere partners but as significant contributors to the integration process.

One of the most successful ways to handle changes and the workforce is the process of communication from the top level to the bottom level of an organization and give empowerment and freedom to experiment.

Thus, the role of HR is changing fast to adopt and adapt to new organizational structure and culture, and in that case HR has to be sensitive and aware of the aspirations and needs of the employees and also, look at the leadership competencies required by the company. HR is now becoming a strategic partner in helping a company achieve its objectives

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1. INTRODUCTION

Due to the impact of globalization, liberalization and privatization, sustaining and competing to survive has become a gigantic task for organizations today. The concept, process & structure of management of business enterprises have changed dramatically. The essence is gradually shifting from traditional management style to modern management style that is total development of Human Resource in the organization. Talent management, competency mapping, identification of potential, employee retention tools, employee delight, leadership development, succession planning and optimum utilization of Human Resources can only meet the challenges of competitive environment. The old way of doing the business without creative thinking and change strategies, may pose threat to individual as well as organization. There was a time when value of the company was measured by the articles/goods produced and the service rendered. Now value is measured by Return on Investment (ROI), Economic Value Addition (EVA), response to change and how quickly the organizations accept challenges to face the competition, so as to exist in the present day competitive market.(1)

A company or an organization is an entity where two or more people come together to achieve specific goals. The basic aim of any organization is to earn profits. HR can act as a bridge between the employees and the new management system and he can act as trustworthy intermediary that can assist the change. Managing change and respond to challenges is the need of the hour where the HR plays a vital role. This is possible if HR is able to participate in company's business strategy and is looked upon as valuable contributor to the organization. Hence, the HR team should understand business environment very well and make tactical and strategic planning for survival of an organization in the competitive market. Strategic HRM is the process of linking human resources to clearly defined strategic goals and objectives for organizational success. (2)

2. WHAT IS 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 passing of years.



Human Resource Management (HRM)

Fig.101: <https://www.google.co.in/search>

As we know HRM is the process of acquiring, training appraising, and compensating employees, and of attending to their labor relations, healthy, safety, and fairness concerns.(3)

3. WHAT ARE STRATEGIES?



Fig .102: <https://www.google.co.in/search>

Strategy is how you go about bringing a vision from idea into existence. It is related to the long term plans of the company. The resource base view of strategy sees it as a way to create opportunities using the organizations internal resources and competences (Johnson, Scholes, & Whittington, 2005) . It is that set of managerial decisions and actions that determine the long term performance of a corporation. It includes environmental scanning, strategy formulation, implementation, evaluation and control. The biggest benefit that strategic HRM offers is competitive advantage by building critical capabilities of HR in an organization. Strategic HRM facilitates in strategy formulation by making an organization's SWOT analysis, and also in policy implementation by providing competent human resources and competitive intelligence.

(4)

4. STRATEGIC HUMAN RESOURCE MANAGEMENT



Fig. 103: <https://www.google.co.in/search>

The business world, however, has been changing faster than ever, with significant shifts in scope and character. Organizations are learning to deal with disruptive technology, shifts in economic power, talent mobility and black swan phenomena. Naturally therefore, while HR has been busy transforming itself from the tactical to strategic, modern organization require Human Resource to play a key business role, not as a partners but as a significant contributors to the integration process.(5)

So as to enhance HR's capability and competence for achieving the goal of the organization. Strategic HRM defines the organization's intentions and plans on how its business goals should

be achieved through people. It is based on three propositions: first, that human capital is a major source of competitive advantage; second, that it is people who implement the strategic plan; and, third, that a systematic approach should be adapted to defining where the organization wants to go and how it should get there. Strategic HRM is a process that involves the use of overarching approaches to the development of HR strategies, which are integrated vertically with the business strategy and horizontally with one another. These strategies define intentions and plans related to overall organizational considerations, such as organizational effectiveness, and to more specific aspects of people management, such as resourcing, learning and development, reward and employee relations.(6)

The primary action of strategic human resource manager are to identified key HR areas where strategies can be implemented in the long run to improve the overall employee motivation and productivity.(7) In nutshell “It is the integration of all processes, programs, and systems in an organization that ensure staff are acquired and used in an effective way”.

4.1 STRATEGIC HRM

A school of thought in HRM, known as Michigan School of Thoughts highlights the following as a strategic tool to HRM.

- Succession planning
- Human resources planning
- Performance management
- Reward management
- Training and re-training for skill development
- Managing change
- People centered organizational development interventions
- Value creation through HR
- Leveraging Human Potential
- Competency Building

4.2 STRATEGIC MANAGEMENT PROCESS

We have witnessed since last few years the difficulties in the management of enterprise. The competition in the business arena has intensified that there is urgent need for introduction of innovative approaches in HRM policy and process, so as to enhance HR's capability and competency for achieving the goal of the organization. The strategic management is the process is way for organization to build strategies that help company respond quickly to new challenges. This dynamic process helps organizations find new and more efficient way to do work. The four key elements of the strategic management process are :(8)

- Situational analysis
- Strategy formulation
- Strategy Implementation
- Strategy evolution.

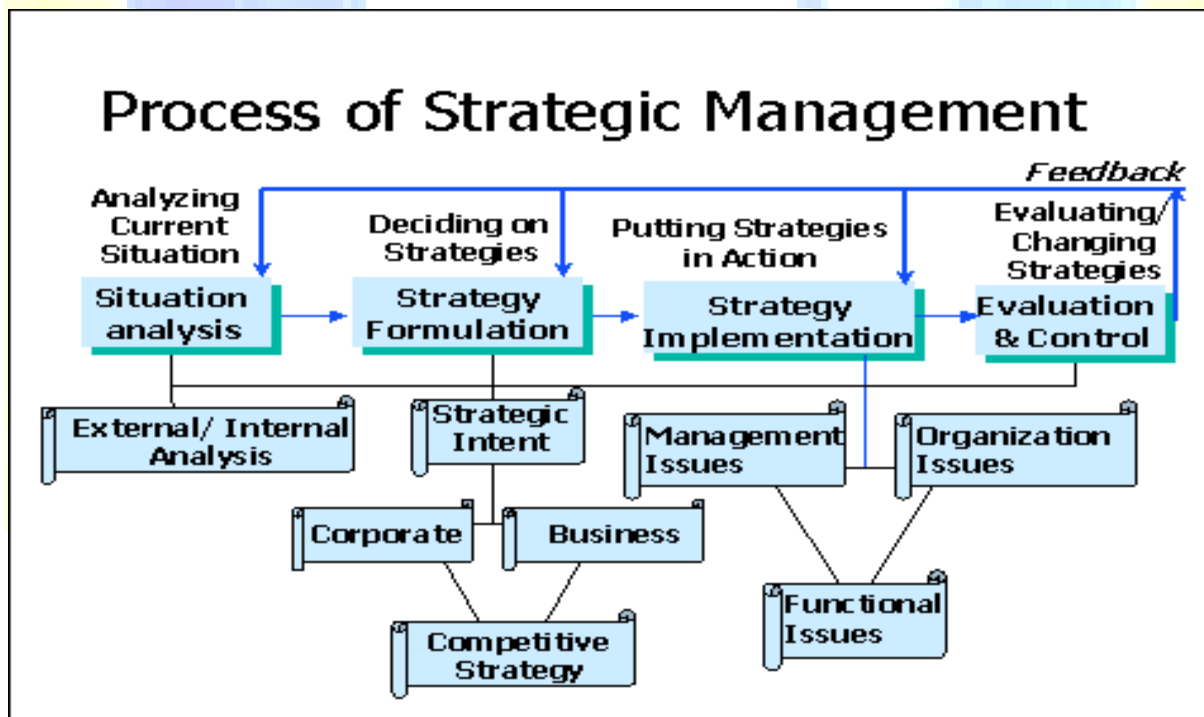


Fig .104: <https://www.google.co.in/search>

4.3 BENEFITS OF STRATEGIC APPROACH TO HR

- Facilities development of high –quality workforce through focus on types of people and skill needed
- Facilitated more knowledgeable about internal operations and increase their knowledge of critical external factors such as customer requirements, supplier’s relations, globalization and the requirements of capital market.
- Corporate HR department can have impact on organization’s effort to lunch strategic initiatives.
- In order to enhance both individual and organizational performance, people are expected to commit themselves and contribute to the success of the organization.
- An integration of HRM policy and business objectives should be defined. HRM policy should support the corporate culture.
- Creation of an organizational climate which is conducive and supportive of individuals’ creativity and to facilitate team work, innovation, Total Quality Management.

4. HRM: EMERGING CHALLENGE



Fig.105: <https://www.google.co.in/search>

HR managers are facing many challenges in present business scenario like Globalization workforce diversity, technological advances and changes in political and legal environment change in information technology. All these challenges increase the pressure on HR managers to attract, retain and nurture talented employee. HR professional can't ignore these challenges rather they ought to be line to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to accept the emerging challenges. (9)

4.5 CORPORATE STRATEGY AND STRATEGIC HRM

If we intend to improve organizational performance, we have to improve performance of the Human Resources. The contribution of effective Human Resource Management ultimately leads to organizational effectiveness. Today there has been growing realization that aligning the Human Resources Management with the corporate strategies is the major challenge before the companies. Industrial organizations, witnessed that Human Resource Management, is most crucial function, because it is management of sentiments, minds than the people. Strategic HRM involves a set of managerial decisions and actions that are intended to provide a competitively superior fit with the external environment and enhance the long run performance of the organization. The emphasis has been on more fully integrating HRM with the strategic needs of the organization.

5. WHY MAKE HR AS AN ORGANIZATIONAL STRATEGIC PARTNER?

These include:

- To increase productivity of the labor force and thus, profitability of the organization
- Competency and talent management
- Onset of information technology and the vast amount of knowledge used in the course of the activities of organizations
- The changing business environment
- Effect of globalization on the business landscape

By doing complete analysis of evolution of HRM the conclusion is that it is mandatory for every organization to treat all employees in a well manner because they are the assets of an organization which help in achieving organizational goal.(10)

5.1 ROLE OF STRATEGIC HR

Strategy essential means „what“ we want to do and „how“ we are going to do. These are also called Strategic Goals to be achieved. An organization needs to comprehend the strategic issues so that an organization can plan for present and future. A strategic plan will ensure that people will carry out their own specific role in their assigned area of operation in partnership with other employees. so as to enhance HR“ s capability and competency for achieving the goal of the organization. Thus strategic roles of HR have emerged.

- Strategic Partner
- Administrative Experts
- Employee champion
- Company champion
- Change agent

5.1.1 HR AS A STRATEGIC PARTNER

Human resource manager is becoming an essential part of the management team, running an organization and contributing to the achievement of the organization’s objectives by translating business strategy into action(stone ,2002), **because only HR can act as bridge between the employees and the new management.** With the changing role, the HR managers must develop business acumen, customer orientation and awareness of the competition, to be able to link business strategy to human resource policies and practices. Then the HR plays the role of strategic partner when they have the ability to translate strategies into action.

5.1.2 HR AS AN ADMINISTRATIVE EXPERT

Efficiency of the HR lies in the effective management of HR activities. To create value with the changed role, HR must be able to reengineer HR activities through the use of technology, rethinking and redesigning work processes and continuous improvement of organizational processes.

5.1.3 HR AS A EMPLOYEE CHAMPION

The HR needs to be the employee voice in management decisions and emerge as an employee champion.HR has connection with the employees and act as trustworthy intermediary that can assist the Change.

5.1.4 HR AS A COMPANY CHAMPION

The HR needs to be the company's voice in the management decisions, thereby becoming a part of the business team. Because modern organization require Human Resource Manager to play a key role, not as a partners but as significant contributors to the integration process. These dual responsibilities of employee champion and company champion can create tensions as the human resource managers learn to balance the demand of both.

5.1.5 HR AS A CHANGE AGENT

A change agent is one who acts as a catalyst for the change. The change agent's role is not about bringing about changes; it is a proper change management and helping the employees to overcome the changes. HR as a change agent need to have a deep knowledge of the change management process and be able to make proper plans for employees and minimizes the negative impact on employees and the whole organization. (11)



Fig.106: <https://www.google.co.in/search>

6. STRATEGIC HRM PRACTICES HELP IN CREATING AND MANAGING TOMORROW'S WORK FORCE

Based on the above studies and a growing stream of subsequent research, the following strategic HRM practices were identified in creating and managing tomorrow's work force.

- Building and Empowering Teams. One of the most striking characteristics of managing tomorrow's workforce, organizations is not only the wide use of teams, but their consistent efforts to create and empower teams capable of making innovative decisions and driving strong results.
- HR can act as a bridge between the employees and the new management. Ensuring alignment between the new management and the business and the people need is the key to success and HR is best poised to delivery of the front.
- Tomorrow's work force want much more empowerment and freedom to experiment. Therefore , this will require the HR function to have "an open heart and an open mind"
- The HR needs to be the employee voice in management decisions.
- HR should organize forums and build platforms where two way communications can happen. In the process, the HR should also groom its team to act like business partners and be proactive in identified issue and risk.
- The HR manager becomes resource manager as he or she will utilize the full potential of their human resources to gain or keep a competitive advantage against competitors'.
- Use the level of reward, recognition, communication and measurement, and encourage the employees to use their brain power.
- Fully involve human resource in HR system development that is supportive of business strategy development and implementation .This promotes ownership.
- Integrating HRM Strategy. High performance organizations value HRM because it views it as a strategic partner in contributing to desired results.

7. CONCLUSION:

The future belongs to dynamic and vibrant organization. The organizations will only survive those are in the right direction in managing the Human Resources and believe “People can do and change”. There is no other go but to accept competition. So in the competition race, the growth is possible only when the Human Resources in the organization are developed, so as to win the race. HR can increase its visibility by having a deep understanding of the business its serve. HR cannot just focus on HR topics (compensation, benefits, staffing, employee’s relations, etc) but also needs to understand how the business operates to have an impact on profit or service. Human Resource management has a major impact on individual and so on productivity and organizational performance. Effective strategic management requires effective human resource management. Strategic Human Resource Management implies the ways in which HRM is crucial to organizational effectiveness. Hence organizations have to carefully design strategies and relate to human resources for effective utilization in achieving greater competitive performance.

As global business competition shifts from efficiency to innovation and from enlargement of scale to creation of value, management needs to be oriented towards the strategic use of human resources. Strategic human resources management practices enhance employee productivity and the ability of agencies to achieve their mission. Integrating the use of personnel practices into the strategic planning process enables an organization to better achieve its goals and objectives. Combining human resource practices, all with a focus on the achievement of organizational goals and objectives, can have a substantial affect on the ultimate success of the organization. To manage future operations effectively, it is essential that companies produce "business leaders" and "innovators" through SHRM Approach.

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