

INSTITUTIONALIZING STRATEGY IN HUMAN RESOURCE MANAGEMENT

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ABSTRACT

Organization inhabits in a landscape proffered with various challenges. These challenges may deliver variables which may possess complexity as well as volatility as one of its inherent nature. Therefore, organization must have zeal accompanied with a rock-solid combination of a subtle strategy. Such strategy must be a constituent of useful ingredients cooked up with careful consideration of various facets especially the role of human resource in it. Profound analysis of prevalent external as well as internal factors may facilitate organization to develop a blueprint towards its organizational strategic roadmap. This paper accustoms with the alignment, model and framework of Strategic Human Resource Management (SHRM) which enable an organization to completely institutionalizing such structure in it.

Keywords: *Alignment, External Factors, Framework, Internal Factors, Model, Strategic Human Resource Management Etc.*

I. INTRODUCTION

Human Resource Management plays a pivotal role for an organizational accomplishment. Incumbent with different roles (as described by Ulrich) Strategic Partner, Change Agent, Administrative Expert and Employee Champion, a HR professional tethers the organizational performance with his competitiveness making it fit for a king. Corporate strategy now-a-days encounters the challenges of globalization, dynamic institutional culture, demography etc which if not dealt with, may encumber its trail to success. Hence, corporate strategy must defy such elements for which a certain role behaviour from its functionaries is desired as delineated:

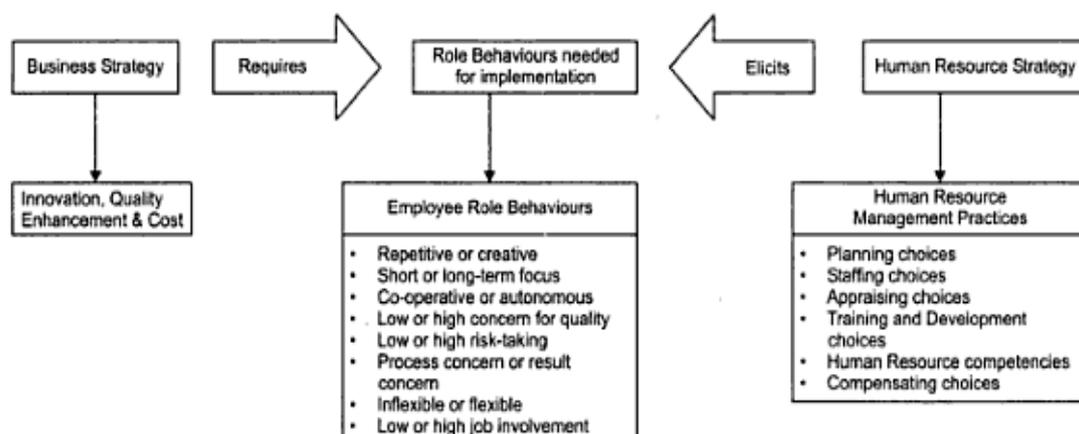


Fig.1 Business and HR Strategy [Source: T. Deb]

Therefore, whatever the organization aspires for, alike change is obligatory from the human resource. For instance if innovation, quality etc forms organization's core, then roles of creativeness, focus etc becomes a requisite. Current organizational practices, its covet actually unleashes the organizational paradigm towards the forthcoming future.

II. REVIEW OF LITERATURE

Rogers W. E et al (1998) conducted an empirical research for determining the relationship between HR and organizational performance under SHRM by undertaking issues like organization's stakeholder, timing etc. and found Performance Information Market model to be more successful. Ahmad S. Et al (2003) attempted to analyse seven different HRM practices given by Pfeffer over different nations as well as industries. Krishnan S, et al (2011) propounded the development of a three stage model entailing the entire strategic management process, the existing linkages between the three phases and the role incumbent by HR personnel during these different stages. Oladipo J.A. (2011) advocated that SHRM concepts are not merely rhetoric, by undertaking a survey of 21 Nigerian Manufacturing Concern and found several practices like line manager development, compensation based system etc incorporated in certain organizations. Dabu A, (2012) utilizes the paradigm of SHRM to state that with its help there may be refocus over the entrepreneurship approach which is regarded as an exclusive combination of management principles as well as organizational science.

III. STRATEGIC HRM

3.1 Conventional HRM and Strategic HRM

Conventional human resource management was oriented towards the formulation as well as implementation of policies, practices etc merely for human resources. Human Resources were regarded as a costly affair for an organization. But SHRM is rooted towards linking of such human resources with the strategic dimensions of organizations, making them as strategic partners and hence reinforcing their actual roles and responsibilities. SHRM forms acquaintance which is not just restricted towards one layer, but also concerns linking of administrative continuum. Strategic Human Resource Management, on the other hand, deliberately associates HR personnel with apiece of strategy in order to secure a competitive advantage by realizing the strategic outcomes. Its vital elements include:

- HR Strategies - Overarching Strategies and Specific Strategies
- HR Behavioural Extravaganza – Orientation, Role Clarity, Goal Congruence, Social norms etc.
- Repercussions – At individual, organizational and societal level as well.

3.2 Alignment

To yield effectual outcomes, both horizontal and vertical alignment of HR systems towards strategic systems is another mandate. Horizontal alignment can be achieved by ensuring that the HR system is composed of the HR practices and roles which deliver an eloquent message of unanimity, which enables development of role clarity among HR personnel. Vertical misalignment occurs if the organization's HR systems have upheld a misfit with other systems. Thus vertical alignment of the HR systems with other schematic structures of organization would definitely lead an organization towards attainment of their stated strategic intentions. Therefore, for execution of SHRM both horizontal and vertical acclimation is required.

3.3 SHRM Model

Strategic model was confined from development of strategic intent i.e. establishment of vision, mission, business definition, goals as well as objectives to the formulation of strategy at the different levels of organization viz. Corporate, SBU and Functional to the behavioural and resource aspects of implementation phase and hence its complete evaluation as well as control which can be delineated:

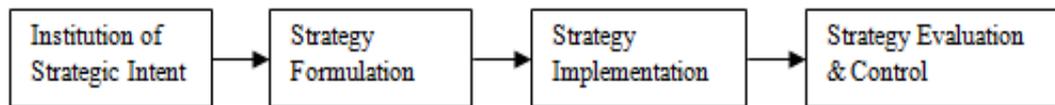


Fig. 2 Outline of Strategic Process

Strategic HRM, on the other hand, congregates HR's complete environment with the Strategic dimensions i.e. from their acquisition to their recompense en routed towards development package for Human Resources and even management relations with labour as well as concern for their health management. Thus entire managerial as well as operative functions of HR, are aligned with the different modules of strategic management, to secure superior outcomes. The different facets of HR modalities are coalesced with the strategic deliverables as outlined:

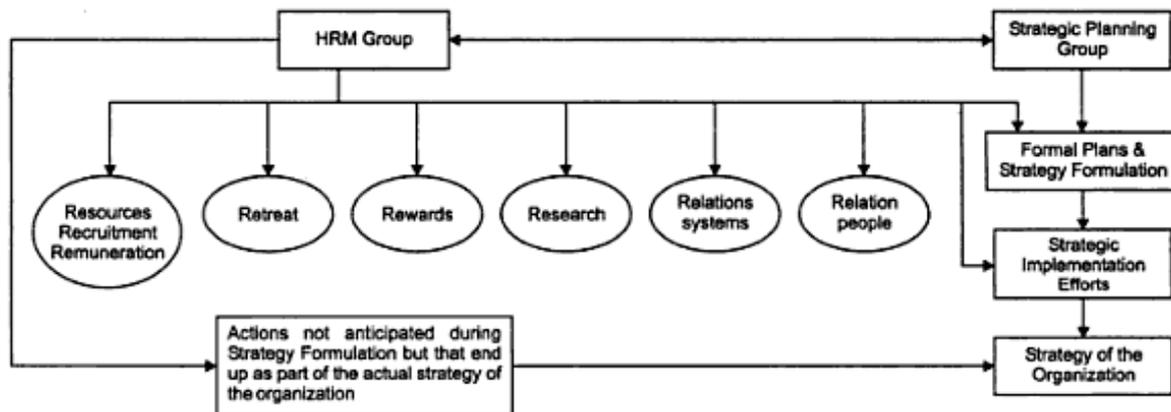


Fig. 3 SHRM Model [Source: T. Deb]

3.4 Development of a Framework

For the establishment of a SHRM framework, every organization needs to undertake a careful understanding of the following:

Evaluation of external environment should be regarded as of paramount interest for an organization for which analysis of several external factors is crucial.

It includes a depth study of the existent economic conditions like current GDP, GNP, distribution of income etc. Prevalent economic policies, the system undertaken are other decisive factors. Influence of Political and Government wielded through their infrastructural set up is also important. Socio-cultural environment maps the attitudes, traditions of different individuals, which may yield strategically superior affluence. Manufacturing operations of a business do rely on the demographic factors like the size, religion etc. as they act as determinant of product's demand. Pervasive topography, weather, locality, ecology etc. ascertains the ease of replenishment of stock operations, since non-replenishment would be a consequent of an expensive affair. Technological up-gradations may cause an existent technique to become obsolete and may therefore lead to costlier operation.

Firm has to drive such technological concerns with utmost care or else the survival may be thwarted. Organization has to acknowledge even the International Environment, the introduction of Liberalization, Privatization and Globalization has created a distinctive affluence making entire world as a global market. Such platforms although presents diverse challenges, but may capitulate organizational competitiveness if the dynamics of complexity and volatility are properly dealt with.

For the development of a powerful framework, even the study of organizational factors and their impact is vital. Organization must always enhance practices which enable them to know what different customers like Industry, Retailer, Wholesaler, Government entities etc. want and what actually they will buy as customer segment defines the organizational profitability as well as its future growth. Labour problems, if not accounted with responsibility may encumber and present numerous challenges so, organization must deploy individuals to deal with their matter of concerns. Suppliers present another important force of internal environment. Organizations must rely on multiple sources of supply, so as to facilitate organization with uninterrupted supply even in an uncertain environment and hence delivering outputs for sustenance. Strategic Alliances portray businesses with lucrative opportunities of defying competitors. Business Associates may assist company in an event of crisis, they are also regarded as a critical internal factor. Businesses dwell more due to the challenges laid down by its competitors. There may be desire or brand or generic or other forms of competition which may even force certain business to reengineer as well as refurbish the entire business model. Almost every industry is being regulated by a certain regulator. Such regulating agencies always outlay certain principles as well as working standards towards which an organization has to lay down emphasis.

The relevant SHRM practices, the various strategies, must be constituted only after undertaking the encountered internal as well as external state of affairs. Whenever appropriate HR individuals are deployed against apposite set of tasks, then only organization may tend to generate more qualitative productivity, enhanced ROI accompanied with lesser absenteeism and greater job satisfaction for its employees.

With accurate role modelling, incorporation of pertinent human elements into the strategy followed by proper implementation such as only intended strategy has confirmed into realised one and making efforts for evaluation and controlling would absolutely land organization into more value driven, supple and receptive organization making optimal utilisation of resources.

3.5 Resource Allocation

Resources are indispensable for the organizational survival. To proclaim a victorious voyage, organizations tend to create a strategic budget with which the resources are allocated. Strategic budget facilitates the allocation of resources with the approval of top management. Strategic human resource may play a pivotal role over resource allocation too. The entire entanglement of varied tangible as well as intangible resources may be optimised more with the involvement of human resources. Necessary steps are taken to bridge the gap of the difference among the top management and the operative management for the allocation of resources. Institutionalizing strategy with the coalition of human resource for the deployment of resources would definitely lead to escalation of organizational business and may lead to the pool of intellects. With this the adamant strategy will hence respond more to the changeable environmental forces.

3.6 Performance Management

Performance is the core of any organization and is conducive towards the stairs to success. An employee's performance will definitely lead an organization towards the attainment of strategic goals. However, accurate assessment of strategic goals is paramount for it. The goals must not contradict amongst themselves. Although, the planned strategy may become an emergent one due to the circumstantial affair, however, the surrounding premises must be shaken till the core, i.e. every effort must be made to unwrap the factors which may affect its performance. Organizations specific focus only towards a shorter time frame may also be problematic. The primed goal must be a consequence of the negotiation of the makers as well as doers. Timing is also viable for organizational performance. The goals settled down are always achievable under conventional set ups but may become difficult to achieve in chaotic time series. So, the goal setting must be congruent. Linking organizational aesthetics viz. its norms, beliefs and alike may make the strategy goals more realistic as well as will definitely deemed to be achievable.

With the careful consideration of the aforementioned, setting goals for performance measurement of employee would not be impinged by any other uncontrollable factors. The stated goals then can be easily achieved. With the attainment of the set milestones, the quantification of employee performance also becomes a matter of few seconds. There may exist various matters for which quantification may be impossible, then for those qualitative aspects must be undertaken. The tactics for assessment should be formed on the pillars of validity and reliability. Appraisals must be undertaken. They can be even annual verbal artefacts, further associating the societal pressures with the organizational appraisal has also been dwelled by many organizations.

After the evaluation, next comes the rewarding phase. A competent employee must be recognised and hence rewarded for his achievements. Rewards can be inherent i.e. derived simply by the accomplishment of strategic targets or can be explicitly defined. Pay based rewards are normally appreciated more. Moreover, rewards must be valued by the employees. Additionally, rewards must be upgraded such that they must not yield diminishing returns.

IV. CONCLUSION

Human resources are vital for every organization. When appended with adequate roles, they may deliver outcomes which may suffice the organizational standards and let it lead others. But for it the organization must possess a framework as well as model within which its role can be easily chiselled. For the development of such a model careful analysis of several factors is crucial. Moreover, such a thought can be converted into a workable one if vertical as well as horizontal alignment of the human resource management is crafted alongside the strategic management. The coalition of the two management systems, recognized as SHRM may drive organization superior outcomes.

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