

Strategic Human Resource Management

SLIDE: 01

Welcome to the spoken tutorial on Strategic Human Resource Management conducted by Associate Professor Dr. Lata Krishnan, Head, Department of Commerce, Mahatma Night Degree College of Arts and Commerce, Chembur, Mumbai

The objective of today's session is to

- Understand the term 'Strategic Human Resource Management'
- Discuss the difference between Traditional Human Resource Management THRM and Strategic Human Resource Management SHRM

SLIDE: 02

As we know the Human Resource Department plays a vital role in the success of any business organization. This is because it is responsible for recruiting, selecting, training human resource and ensuring that they are engaged, productive and loyal.

Remember that for a business the human resource or man power is the only active, thinking, intelligent resource that combines with money and material to perform and make profit.

SLIDE:03

The Human Resource Department of business organizations adopted policies, procedures and plans to achieve the goals of the department. Over a period of time, most of the business organizations had near similar Human Resource policies, procedures and plans that were adopted very strictly in order to bring discipline, transparency and a professional working environment at the work place.

While this did work in the short run period, there were problems and challenges that business organizations faced in the long run period. Business environment is volatile. Environment scanning is a must for a business to function in a proactive manner. Facing challenges, fighting competition, innovating, remaining a market leader all of this requires the human resource department to be dynamic, flexible, free, autonomous, innovative, adapting, competitive, motivated, engaged, productive and loyal. Hence the traditional Human Resource Management gave way to Strategic Human Resource Management where the HR department aligned with the goals, beliefs and strategies of the entire business organization and leveraged the potential of the business organization and its resources to formulate business strategies to win competition and stay ahead. People and their knowledge are the building blocks to Strategic Human Resource Management.

SLID:04

So what changed?

STRATEGIC HUMAN RESOURCE MANAGEMENT FOR A COHESIVE, ORGANIZATION-WIDE STRATEGY

HR has become an invaluable resource, working hand in hand with top-level management to create a cohesive, organization-wide strategy. The people in the organization made dynamic teams to achieve the goals of the business organization.

SLIDE:05

SHRM FOR COMPETITIVE NATURE OF WORK PLACE AND BUSINESS TODAY

SHRM links the employees with the business organization. We must remember that there is a lot of competition among employees in today's modern work place and SHRM must encourage and leverage from this competition. At the same time the organization has to survive competition and grow and the human resource must enable it to do so!

SLIDE:06

SHRM FOR ENGAGED, PRODUCTIVE AND LOYAL STAFF

There are many different types of HR strategies, but at their heart, they all start with the same foundation: to create a work environment that's synonymous with engaged, productive and loyal staff.

SLIDE:07

SHRM to identify what unifies and motivates employees

The key to a successful HR strategy is to identify what unifies and motivates employees and to develop a strategic plan around that understanding.

- Provide them with opportunities to grow their knowledge and skill
- Communicate honestly and frequently with each employee in your group,
- Show appreciation for your employees.
- Investigate ways you can show respect in the workplace.

SLIDE:08

What a company can pay vs. what a company stands for

In today's competitive jobs market, attractive salaries and job perks are commonplace. However, with these types of benefits now being the new trend, employees are looking beyond how much a company can pay them, and what a company stands for, has become an important part of the story.

SLIDE:09

Examples of successful HR strategies

- Google and LinkedIn are companies that boast of HR strategies that are recognized internationally for being innovative.
- Nissan, which has adopted a HR concept called 'Kaizen. *Kaizen is a Japanese business philosophy of continuous improvement of working practices and personal efficiency. It has 5 founding elements: teamwork, personal discipline, improved morale, quality circles and suggestions for improvement.*

- SLIDE:10

Examples of successful HR strategies

- Alliance Boots (parent company of the Boots chain) shines for its promotion of community outreach programs for employees.
- British Telecom, a huge telecom company has amazing HR strategies. Unlike other big companies, BT British Telecom, during the economic crash continued to retain, train and redeploy its existing staff. Its focus on its employees has earned it a reputation for loyalty that is matched by its employees.

SLIDE:11

4 successful HR STRATEGIES

- 4 successful HR strategies contributed by Mayo Clinic, America's #No. 1 hospital, a company that consistently features on 'Forbes 100 Best Companies to Work for' list. U.S. News & World Report 2019-2020 "Best Hospitals Honor Roll" Rankings, Rochester, Minnesota Source: U.S. News & World Report "Best Hospitals Honor Roll," 2019-2020. Gianrico Farrugia, M.D., president and CEO, Mayo Clinic. <https://www.mayoclinic.org/about-mayo-clinic/quality/top-ranked>

has worked to create a dynamic team, supported by a strong management, consistent internal communication and ongoing training and development.

SLIDE:12

TOOLS FOR SHRM

- ✘ Competitive salaries
- ✘ Enviable benefits packages
- ✘ Promotion opportunities
- ✘ Continuous staff training and development
- ✘ Transparent and regular communications
- ✘ Focus on employee wellbeing
- ✘ Investment in corporate social responsibility
- ✘ Employee autonomy
- ✘ Open-door policy
- ✘ Freedom to be creative
- ✘ Enhanced hiring practices

➤ The entire approach to HRM changed! The Traditional Human Resource Management THRM which was rigid, strict and had beliefs like experience alone makes one superior, division of labour and specialization, training can improve but not grow the capacity and potential of human resource, THRM is reactive, a change follower and adopts a transactional leadership style; it considered HR to be a cost head, shifted to Strategic Human Resource Management where SHRM is open, flexible, empathetic and knowledge, technology and skill driven; believes in building dynamic teams, training, cross training and updating continuously as the mantra for survival, SHRM is proactive and a change initiator and adopts a transformational leadership style; it considers HR to be an investment initiative that has to be trained, developed, grown and harnessed; its pillars are autonomy, innovation, clear communication and it believes in growing with its people; its objective is to make HR happy, and create human resource that is motivated, free, innovative, engaged, productive and loyal.

➤ With this we come to the end of our session on SHRM

THANK YOU