Practices of Strategic Human Resource Development (SHRD/SHRM) Solving Problem for The Organisations

Dr. Sudipta Ghoshal
Head-Dept. of Hospital Management; PMC-DGP

Definition:

- Human resource management is the organisational function which is focused on recruitment, management, and providing direction for the employees of an organization.
- Strategic human resource management is linking of human resources with objectives and strategic goal in order to develop business culture and performance with flexibly, innovative.
- In an organisation SHRM means involving the HR function and implementing company's strategies through recruiting, selecting, training and rewarding personnel.

Importance of Strategic Human Resource Management:

Strategic human resource management is a part of human resource management.

Rather than focusing on internal issues of HR, SHRM focus on addressing and solving problems what effect people management related issues in the long run globally. So the main importance of strategic human resources is to increase employee skills by focusing on business problems that happens outside of human resources. The actions that needed to be taken at first for a strategic human resource manager is to identify key HR areas ,where strategies will be implemented in the future to improve employees productivity, motivation and skill.

Human Resource managers are facing with some issues such as performance management, employee participation, human resource flow, reward systems and high commitment work systems in the context of globalization. These are some of the major issues that HR management involved in SHRM that implemented in the first decade of the 21st century:

- Internationalization of market integration.
- Significant technological change.
- New concepts of general management.
- Cross-cultural factors
- The economic trend transferring from developed to developing countries in the world.

SHRM also reflects some of the contemporary (same period of time) challenges faced by Human Resource Management. Such as aligning HR with core business strategy, demographic trends on employment and the labour market, integrating soft skills in HRD and finally Knowledge Management.

The Purpose of Strategic Human Resource Management:

The purpose of SHRM is to stimulate interest in the field of Human Resources by inviting HR professionals to speak about different aspects of their job and other HR issues. SHRM was created to provide assistance for development of its members, to provide leadership opportunities, and establish and support standards of excellence in Human Resource Management.

SHRM aims to provide a sense of direction in an often turbulent environment so that organizational and business needs can be translated into coherent and practical policies and programmes. SHRM should provide guidelines for successful action, and the ultimate test of the reality of strategic HRM is the extent to which it has stimulated such action.

There is an overall corporate purpose and that the human resource dimensions of that purpose are evident.

A process of developing strategy within the organization exists and is understood, and that there is explicit consideration of human resource dimensions.

Internal and external business factors that underpin human resource planning:

At this time of year lots of companies are thinking a strategic plan for the coming period.

There are some external and internal business factors that effecting **Mark and Spencer** business policy. Some of them are in below:

- Labor cost control
- Increase efficiency and productivity
- Employee development
- Business decline
- Business growth
- Business change

Marks and Spencer is one of the leading companies in UK. Internal business factor like as business growth can strengthen human resource plan on Marks and Spencer. When the whole company's business is growing then definitely management make different human resource plan for the organizational success. It can include recruitment of new personnel or making the existed personnel more efficient through a better training. Similarly when Marks and Spencer business is going through a bad time Marks and Spencer management make a different HR plan, like as redundancies of staff or other HR related expenses. Sometimes for other changes in business its Marks and Spencer Company make some change on the HR planning. Control of labor cost is one of the important factors on Marks and Spencer business policy. Computing a labour cost percentage in addition to other used way of labour efficiency.

- Justifying labour productivity
- Maintaining a Productive Workforce
- Measuring Current Labour Productivity
- Managing Payroll Costs
- Dropping Labour-Related Costs

Now a days IT is making a huge change in the field of industrial, agricultural and human resources of Marks and Spencer. In this present 21st century IT has been playing a very important role on human resource planning. Due to technological advancemans it's been taking some changes on the basis of HR planning in Marks and Spencer.

Human resource requirements:

Marks and Spencer is always looking for particular amount of skills from the employees of different department. Among of these department specific skills is generally required by the employers. Similarly experience and other qualifications also required from the employees.

These skills are related with their ability. Depends on the making plan, organize, design, implementation. It also helps his goal-setting. Some of them are in below:

- Honesty, integrity and morality.
- Adaptability, Flexibility.
- Dedication and hard working.
- Dependability/Reliability/Responsibility.
- Loyalty.
- Positive Attitude/Motivation/Energy/Passion.
- Professionalism.
- Self-Confidence.
- Self-Motivated/Ability to Work with Little or No Supervision.
- Willingness to Learn.

In the specific areas whoever is weak can develop these skills by better training, acquiring knowledge on specific field, professional development from the people who possess these skills.

Internal factors e.g. (labour requirements, Skill requirements, Workforce profiles etc):

Marks and Spencer consider skill requirement, labour requirement and workforce profile. HR planning ensures that Marks and Spencer has suitable access to talent and ensure future business success. Talent means the knowledge, skills and ability to assume some activities like as decision making. HR resource plan consider some iterative discipline.

External factors e.g. demand for labour, Supply of labour:

Sector Skills Councils, government departments, professional bodies or dedicated employer or trade associations are likely to produce specific labour market studies. Specialist recruitment agencies and local further and higher education establishments will have useful insights into the labour markets they serve.

Government polices e.g. employment, Education, Training, Industrial, Regional:

Government role and activity can have a good role on the basis of human resource requirements. If government keep a good look on how peoples can develop their skills and requirement. The answers definitely indicate a few things, one of them is education. This is the key factors for the development of a nation. So the developments of Marks and Spencer, even a country's development mainly depend on educational development. Government need to analyse every single point and focus on that point after that must be taken step by step action to reach the success, the another key point is employment. Government should have developed the opportunity in the job market, need to think about how to make job market better. Must need to try the best how to create vacancies according to the people's interest and skill. For this reason employees must be skilled, and to be a skilled worker he must be properly trained in both practically and theoretically. Government can support that directly or indirectly. It can be regional basis or industrial basis.

Introduction with SHRD:

There is a growing recognition that well-chosen HRD practices can have a direct impact on individual and organizational performance. This finding is built on the notion that people can play a significant role in an organization's success (Garavan, 2007). However, in order for HRD to make a contribution it needs to move away from a process-oriented and administrative approach to one that is more strategic, and in doing so take a leadership role in the development of people. Strategic HRD, which is the focus of this chapter, requires that specialists with responsibility for learning and development in organizations think differently about the functional requirements and activities of HRD as a set of organizational practices. It requires the possible relinquishment of the more operational, low-value training and development activities and finding more time to develop the competencies to perform a variety of strategic roles. Strategic HRD (SHRD) is premised on the view that HRD practitioners possess the competencies to assume the role of strategic partners, strategic players and players in the business rather than simply reacting to the events in the business. They are expected to act as leaders in ensuring that HRD functional activities are conducted in a way that focuses on organizational needs and are implemented in an ethical and sustainable way. Specialists are expected to per- form the role of change agents by demonstrating the need for change and helping the organization to build adaptability, alignment and execution capabilities.

The aim of this chapter is to provide an overview of the defining features of SHRD, to show how SHRD differs from more traditional conceptualizations of HRD, and to demonstrate how SHRD can add value to a business. It addresses both theoretical and practice models of SHRD. The chapter finally addresses the enabling or facilitating conditions that can make SHRD a reality in organizations.

Defining Strategic HRD:

Mankin (2009) views HRD as: Encompassing a range of organizational practices that focus on learning; training, learning and development; workplace learning; career development and lifelong learning; organizational development; organizational knowledge and learning.

Hamlin and Stewart (2011) have, however, highlighted some of the definitional challenges in setting the boundaries of HRD. They reached a number of important considerations:

- HRD is conceptualized as a process that occurs in workplace settings and is designed to facilitate individual and group learning in the context of jobs, work and careers.
- HRD focuses on organizational learning, change and development.
- HRD focuses exclusively on work-related issues within organizations. It is less concerned with societal and global issues.

SHRD has as its primary focus an emphasis on performance. Grieves (2003: 108) suggested that: 'it emerged as a result of a new climate of disorganised capitalism and from debates within organisational development.'

Understanding the Contribution of SHRD to Individual & Business Performance

A number of theoretical perspectives – Human capital theory, Resource based theory and a behavioural perspective – can be utilized to understand the contribution of SHRD to both individuals and organizations. However, it should be pointed out that some researchers and practitioners consider it something of a Holy Grail to establish a causal link between SHRD and performance at the level of the organization. It should also be said that few SHRD models place very much emphasis on individual needs.
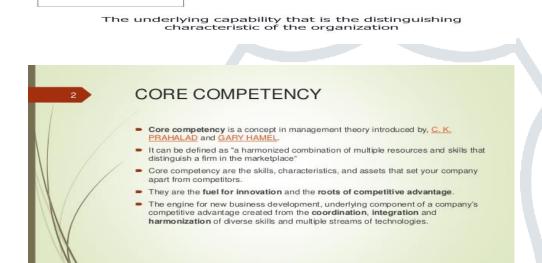
This perspective on human capital takes as its starting point the view that human competencies are one of the resources available to organizations. The origins of this notion of human capital can be attributed to the work of Prahalad and Hamel (1990), who analysed the competitiveness of organizations and attributed it to the possession of core competencies. They postulated that an organization can possess unique clusters of factors that allows it to be competitive, and human capital is one of these. This resource-based view represents a current paradigm on firm competitiveness and conceptualizes the organization as a collection of competencies that draws attention to issues of learning, HRD investment, knowledge accumulation and experience.

Explanatory models of SHRD

Garavan's model: contextual and dynamic framework for SHRD (2007)

Level 1: The Global Environment							
Local Conditions		**National Conditions**				**Multinational Conditions**	
Economic & Political Trends	Industry Characteristics	Technology Change	Labor Market Characteristics	National Culture	National HRD Systems	Cross-Cultural Differences	International Laws & Regulations
↕					↕	↕	
Organizational Context		**Human Resource Development, Focus Orientation, systems, Policies, and Practices**				**Stakeholder Satisfactions**	
Level 2: Strategy, Structure, Culture & Leadership		**SHRD Focus** • Exploitation or exploration • Integration with HRM activities • Functional and process integration **SHRD Orientation** • Enables linking and innovation • Strategic Partner • Organizational Change Agent				**Owners / Investors** • Reputation • Growth • Financial Return **Employees** • Long Term Employability • Performance • Career Advancement	

Level 3: Job Value and Uniqueness		SHRD Strategies, Systems & Practices	Other Internal Customers

Level 3: Job Value and Uniqueness

Level 4: Individual Expectations, Employability and Careers

SHRD Strategies, Systems & Practices
- Organizational Performance
  Skills Training
  Job Analysis & Competency Modelling
  Performance Management
  Management & Leadership Development
- Organizational Learning
  Learning Organization
  Critical Reflection
  Organizational Socialisation
  Tacit Learning & Learning from Mistakes
  Action-Centerd Learning
  Transformational Learning
- Organizational Change
  Feedback Systems
  Succession & Talent Management
  Managing Change Processes
  Managing Careers
  Managing Cultural Change

Other Internal Customers
- Quality of HRD Delivery
- Horizontal Alignment with HRM activities
- Speed and Responsiveness
- Cost of Delivery

External Customers / Suppliers
- Quality of Product / Service
- Adherence to prior Agreements
- Extent of Impact on business
- Potential of quality standards

HRD Professionals
Values, Competencies, Credibility, Integrity, Partnership

Talent-management practices and employees identified by management as 'stars' – those employees who are viewed as having great potential – play a major part in influencing SHRD practices. Policies will be influenced by employees' ambitions and career aspirations, their willingness to upskill and their commitment to achieve organizational goals.
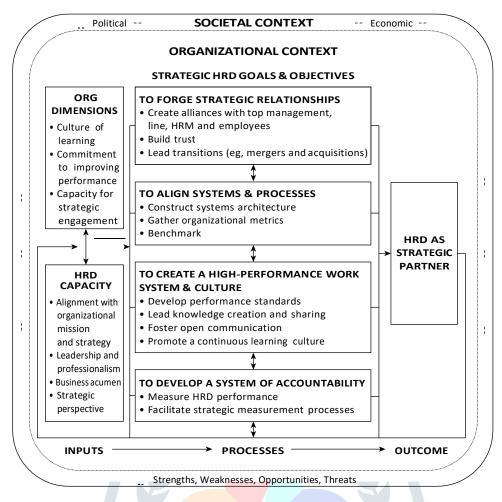
The increased assignment of HRD activities to line managers and the tendency toward decentralization indicate a changed role for HRD professionals. Schuler and Jackson (1992) suggest that HRD professionals will be involved in linking HRD issues with challenges to the business, shaping the strategic direction of the firm, developing innovative solutions and approaches to enhance organizational effectiveness, and enabling line management to ensure that things happen.

The model suggests that strategies, systems and practices of HRD focus on organizational performance, organizational learning and organizational change.

The concept of HRD capacity is one that is central to both the Garavan and Peterson models. Dimensions of strategic capacity highlighted in the Peterson model are the extent to which HRD goals and objectives are aligned with the organization's mission and strategy, the capacity of the HRD specialist to demonstrate leadership and articulate professional values concerning HRD, the business capability or acumen of the specialist, and the extent to which the specialist is comfortable with and skilled at adopting a strategic perspective. An important characteristic of a strategically oriented HRD function concerns its focus on articulating strategic HRD goals and objectives.

The Peterson model ultimately envisages that the HRD specialist will act as a strategic partner: someone who engages with the wider strategic agenda and contributes to strategic change within an organization.

The Peterson model of strategic human resource development →

and skilled at adopting a strategic perspective. An important characteristic of a strategically oriented HRD function concerns its focus on articulating strategic HRD goals and objectives. The model proposes four dimensions of this strategic focus: the extent to which the HRD function forges strategic relationships with line mangers, the HRM function and the senior executive team, and cross-functional collaboration; the alignment of HRD systems and processes; the focus on creating a high-performance work system and culture; and the development of accountability systems within the organization. The Peterson model ultimately envisages that the HRD specialist will act as a strategic partner: someone who engages with the wider strategic agenda and contributes to strategic change within an organization.

CASE STUDY-1 GE and an SHRD culture

It is generally accepted that General Electric (GE) has placed strong emphasis on SHRD to build a strong culture of learning and innovation. This culture was primarily driven by Jack Welch. The learning culture within GE is founded on the Work-Out Philosophy. This philosophy is based on three Ss: engendering self-confidence, encouraging challenge and simplicity to systems, and utilizing working practices that result in speed of responsiveness. GE has as its strategic goal to be the first or second in the marketplace in terms of volume, customer service and profitability. SHRD plays a major role in driving and sustaining the culture of GE. The company has introduced change management initiatives such as the change acceleration process (CAP), which emphasizes a culture of learning, growth and development.

GE places a strong emphasis on developing the skills of HRD professionals. Training programmes are used to develop HRD professionals' skills. Professionals are rotated through job assignments in non-HRD functions to help them learn about the business and become more strategic business partners. Many of the transactional components of HRD are outsourced and performed with the use of technology. GE focuses on developing HRD specialists so that they can take on the role of internal consultants. It has a global HRD

curriculum that helps HRD specialists understand what the goals of SHRD are, what the changes in SHRD at GE mean to them, and what the plans are for SHRD. HRD professionals gain business knowledge such as finance and change management skills, and the ability to develop the relationships across the organization. Senior HRD specialists work under line managers to help them understand that HRD is there to help the managers implement strategy.

CASE STUDY - 2 Strategy HRD:

A 'develop from within' approach – Procter & Gamble

Procter & Gamble is the world's largest consumer-product company. It is a Fortune 500 American multinational corporation with headquarters in Ohio. Consistent with a 'promote from within' policy and the belief that P&G's human resources are a major source of competitive advantage that are hard to replicate, the development of employees is all pervasive and is central to the organizational culture. Employees receive multi-source reviews starting within a year after they join the company, and can take advantage of numerous development programmes over their career. There is a strong focus on ensuring that line managers take their responsibility for development seriously. They are evaluated and rewarded on the basis of their skills and efforts in developing people. P&G have found that where managers are considered strong as people developers, they create a flow-through of employees into their division or department. This encourages high performers to gravitate towards strong people- developing managers and they are motivated by a realization that they will receive many development opportunities.

P&G considers that it is important to eliminate silos. Mobility of employees for development purposes is considered vital. This mobility is supported through personal development plans, work assignments and the use of open-job postings. In the case of managers, P&G emphasizes learning and growth opportunities, internal mobility, job rotation, broadening assignments and temporary or permanent career moves. As part of the internal development approach P&G has also established a corporate university with the explicit purpose of reinforcing and perpetuating the corporate culture.

Conclusions

Human resource development has emerged as a significant strategic issue within organizations. One of the reasons for this is the increased recognition that people are an important source of sustained competitive advantage. Skills and competencies enable an organization to be more flexible and to reconfigure to meet strategic challenges. Consistent with the ideas proposed by the resource-based theory of the firm and behavioural approaches, organizations should implement best-practice SHRD strategies or best-fit strategies to maximize business performance.

SHRD represents a particular variant of HRD. It differs from more traditional models of HRD in that it proposes a model of HRD that is aligned with the needs of the business or organization. Idealized models of SHRD envisage that HRD specialists will act as shapers of business strategy and be strategic business partners. The majority of prescriptive and explanatory models of SHRD emphasize vertical and horizontal alignment with strategy and HR strategy, the implementation of structures and strategies that contribute to the bottom line, the enhancement of the capacity of the HRD spe- cialist to contribute at a strategic level and the utilization of a strategic perspective to consider learning issues in the organizations.

A variety of enabling conditions are necessary to ensure that SHRD makes an optimum contribution. These include: a clearly articulated organizational mission, vision and strategy; the formulation and implementation of an aligned SHRD strategy; top management support for learning; engagement and involvement of line managers in the development and delivery of learning solutions; and an HR specialist who possesses the appropriate combination of technical and leadership competencies to deliver in an organization.

Ultimately in any business it is the quality of human capital that produces results. Developing a talented workforce represents the single most important priority of and challenge for SHRD. This challenge must focus on developing existing employees as well as successfully developing new employees so that they can contribute quickly in terms of performance and discretionary effort.

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