Strategic Human Resource Management in Higher Education

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Abstract : It is proposed a model for developing and implementing human resource management strategies that incorporates both an external fit (human resource management fits the developmental stage of the organization) and an internal fit (human resource management components complement and support each other). Human resource management is thought to have five stages of development and six strategic components. The Human Resource Strategic Matrix is formed by combining these elements. These ideas and implications for research practice are discussed.

IndexTerms - Higher Education, Strategic, Human Resource Management.

I. INTRODUCTION

Educational institutions have changed in the present times. They have developed not only in developed countries but also in developing countries. The importance a country attaches to education is reflected in the proportion of the Gross Domestic Product(GDP) it spends on education in general. Countries also differ in the proportion of their education budget they allocate to the major sectors: pre-school, primary, secondary, tertiary and higher education. They too differ in the relative importance they place on public and private funding of education and in the roles that public and private sector institutions play in providing education. Further differences arise in the relative amounts that are allocated to the various types of educational resources, such as teachers, support staff, learning materials, computer and other equipment, and buildings. This allocation only reveals that Education is an important part of the society,

In the recent years technological, economical, and social changes are causing organizations to depend more and more on human resources to certainly accomplish their objectives. The organizational needs are usually attached with the Business objectives. They are accomplished when human resource practices, procedures, and systems are developed and implemented based on organizational needs. This is only done when a strategic perspective to human resource management is adopted.

Human resources vary in quality as far as education is concerned. No two teachers bring exactly the same qualities to the classroom. Some are superb teachers but may be poor administrators; others may be less inspired teachers but have excellent class control and offer considerable pastoral support gifts. To some degree this variation is related to personality and innate abilities, but it can also be influenced by the person's initial education and subsequent training and experience. There has been a considerable move to enhance the consistency of human resource quality by using job and task analysis to identify the necessary competencies required in teaching or educational administration and leadership. Emphasis has also been placed on the development of training to meet identified competencies and the furthering of assessment to ensure that, as near as possible, two people of similar background and experience are equally capable of fulfilling their teaching role. Thus, resource management involves leaders in schools and colleges ensuring that adequate continuing professional development takes place so that human resources are developed to meet changing needs. National policy can have important effects on human resources through, for example, state regulation of the quality of initial and in-service training available to teachers and other staff. This is anotherreason to ponder about a strategic Human Resource Management.

The importance of fitting structure, systems, and management practices to an organization's stage of development is widely accepted. As the educational organization grows and develops, it needs change. By understanding how an organization changes as it grows, one can understand how human resource management must change. Four kinds of models have been used to explain organization growth and development: life cycle and hierarchical models, evolutionary models, stage models, and metamorphosis models. All are useful for under- standing how organizational needs change and what human resource management must do to respond. Human Resources in education can also be studied using these four models.

Life Cycle and Hierarchical Models

Life cycle models in which development occurs in predictable relatively discrete "building blocks" of birth, maturity, and decline are included in many theories of organizational change. Others, although not adopting a strict life-cycle approach, also argued that organizational growth and development occur in building blocks in which earlier stages provide the foundation for later stages. In an educational context this is the start of an organisation, growth of it, and also decline if it does not keep innovating itself.

Evolutionary Models

Alchian (1950) and Aldrich and Pfeffer (1976) argued that organizations do not follow a life cycle which includes death, but they do reform and renew themselves to fit the environment. Those that fail to do so decline and die. In these models the focus is not on aging as much as it is on the evolutionary forces that help the organization react to and fit the environment. Environmental fit has been examined in a host of empirical studies. Educational institutions usually come under this model.

Stage Models

Stage theorists argue that although organizations adapt to their environments, the pro- cess is not totally reactive. Sequential building blocks and environmental responsiveness are incorporated into stage models, and to that is added the idea that managerial action permits the organization to adjust to the environment. Scott (1971), for example, basing his work on Rostow's (1960) concept of economic stages and Chandler's (1962) historical study of strategy and structure suggested that managers adapt strategy and structure to fit the environment.

Metamorphosis Theory

Stage theories leave one question unanswered: How does an organization move from one stage to another? Metamorphosis models propose that change occurs when the fit between the organization and the environment is so bad that the organization's effectiveness and survival is threatened (Chandler, 1962). According to Starbuck (1965), "growth is not a smooth continuous process, but is marked by abrupt and discrete changes in the conditions for organizational persistence and in the structure appropriate to these conditions" (486). Change comes in major shifts rather than in small incremental steps. These theories identify key characteristics of organizational growth and development. If human resource management is to be effective and fit the organization, its growth must parallel that of the organization of which it is a part. It must:

1. Change and develop in a predictable sequence in response to pressures and opportunities.
2. Change in stages, each stage exhibiting a decidedly different orientation to human resource management.
3. Build each stage upon and incorporate previous stages.
4. Operate, proactively to fit human re- source management to the organization's needs.

Stages of Human Resource Management

Human resource management's effectiveness depends on its fit with the organization's stage of development. As the organization grows and develops, human resource management pro- grams, practices, and procedures must change and develop to meet its needs. Consistent with growth and development models it can be suggested that human resource management develops through a series of stages as the organization becomes more complex. Each stage incorporates and builds on previous stages.

Stage I-Initiation.

A new organization is characterized by start-up, entrepreneurship, management by the founder, informality, and limited products and markets. Management's attention is focused on a limited range of basic human resource management concerns such as salary administration, hiring, and terminations, although the owner/founder makes many of the decisions. To manage human resources, managers need help maintaining and updating individual files, and keeping record of vacations, absences, and so forth. At this stage, it appears that most human resource management activities are handled by line managers who have administrative staff support and who focus on establishing basic recruiting and compensation programs. Similarly, in an educational institution in the beginning stage it is easier for the Human Resource Department to deal with recruiting, leaves and other maintenance of files. But eventually as growth happens a group of dedicated office people will be required to maintain the records.

Stage II

Stage II is characterized by technical specialization, dynamic growth, expanded product lines and markets, and added formality in structure. Line managers need help finding and training the right people for the company to sustain growth. They no longer have the time, expertise, or contacts to recruit all the employees who are needed. They need specialized help in the basics of human resource management, such as recruiting, compensation, and training. Similarly in a Higher Educational settings a dedicated department is created to maintain all the data.

As a result, a formal personnel department is established with capabilities in the basic sub-functions of human resource activities. Those responsible for the subfunctions build their own budgets and compete with others in the company for resources. A first step toward automation also takes place usually starting with computerization of payrolls and employee profiles.

Stage III-Controlled Growth.

Stage III equates closely to Filley and Aldag's (1980) Stage III- Rational Administration and Chandler's (1962) Stage II-Rationalization. It is characterized by professional management, scarce resources, new acquisitions, and diversified product lines. In this stage competition for resources is stiff and pressure to control investment increases in all areas. The need for measurement and control, the growing diversity of employees, and the growing complexity of communication encourage investments in automation and the use of advanced analytical tools for human resource management. Here, the focus is on productivity and cost effectiveness and the cost of newly proposed pro- grams and added specializations must be justified. Specialized activities are added only if a clear return on investment can be shown.

Stage IV-Functional Integration.

Stage IV is characterized by diversification, product groups or divisions, project management, and integration within functions. Here, the focus is on decentralization (Salter, 1968) and coordination. At this stage, management focuses on the interdependencies among specialized activities. Corporate staffs face growing pressure both to decentralize and to focus on strategic issues. Although organizational, geographic, and product diversification create the possibility of redundant activities, they also create opportunities for greater efficiency through planning and coordination. As higher education comes into picture, they automatically build the organisation into a complex conglomerate to handle all the human resource data.

It appears likely that in response, human resource managers would be concerned with coordinating and integrating subfunctions, such as training, compensation, and recruiting. The emphasis would be to reduce duplication and to coordinate interdependencies. Integrative pro- grams such as productivity improvement, succession planning, and performance management emerge.

Stage V-Strategic Integration.

This stage is best characterized by Greiner's (1972) description of Collaborative Teamwork. Here, management's focus is on flexibility, adaptability, and integration across business functions. The stage is characterized by team action, full integration of functional areas, strategic management, highly developed monitoring capabilities, and an ability to adjust to the environment. At this stage, human resource management is recognized as everyone's job. Managers realize the importance of human resources in positioning the organization for the future. Human resource programs are integrated not only among themselves but also with other functions, such

as accounting, marketing, and operations. Human resource implications are considered before a major business decision is made, whether it is a new acquisition, a new product, or new markets (Pascarella, 1985). Sophisticated analytical techniques are used to ask "what if" questions. Clear criteria are available for measuring success. Particular institutions were examined using the stages, and it was found that the strategic Integration is the only way they can implement a better human resource system.

The following are proposed based on these findings and the organization growth and development models:

1. The human resource management activities of the educational institution pass through five stages of development: initiation, functional growth, controlled growth, functional integration and strategic integration.

2. The human resource management activities move through the stages in sequence in response to increasing complexity in the parent organization. Each stage incorporates and builds on the previous stages.

3. The human resource management activities are most effective when their stage of development matches the stage of development of the parent organization. Human resource management must pass through each stage in sequence. Even though a given stage may be short, it must exist if the knowledge, procedures, and programs that will serve as the basis for the next stage will be created. If a stage is skipped, performance in later stages will be ineffective and the organization must first return to those stages and put them in place.

Human Resource Strategic Matrix Obviously, the two fits interact and must be managed simultaneously. The strategic components must fit each other and the organization's stage of development. For example, if the information system is manual (Stage I), but the organization is at Stage III and needs automated personnel records, a Stage III information system may be designed and implemented. For it to succeed, however, managers and personnel professionals must employ the skills to use it. The HRS Matrix is presented in Table 2. It contains brief descriptions of each component. Using the HRS matrix, one can draw an organization's human resource management profile. Consider a complex organization that has a di- versified product offering, is changing rapidly, and is decentralized and large enough to include many specialized units. The organization needs help from human resources management found in either Stage IV or V. However, managers are aware only of human resource management's administrative role (manager awareness -Stage I), personnel has adopted a program of orientation (management of the personnel function-Stage II), programs include budgets, measurement, and controls (portfolio of programs -Stage III), data are kept manually (information technology-Stage I), personnel professionals are skilled at systems, planning, and analysis (personnel skills-Stage IV), and managers are aware of the environment, but they do not incorporate it into their actions and decisions (aware- ness of internal and external environment- Stage II). The components of this sample firm are neither balanced nor uniformly placed at either Stage IV or Stage V, and human resource management will not be effective or efficient. To be effective the human resource function must be developed to either Stage IV or Stage V, and to be efficient, its components must be balanced.

How Should the Human Resource Management Function Be Organized?

In most organizations the human resource unit is organized according to such common sub- functions as employment, employee relations, training and development, equal employment opportunity, and so forth. It would seem that this approach is appropriate for Stages I and II, but not for the later stages. In Stage III, restructuring will eliminate overlap and duplication. Task forces and committees can be used to coordinate functional areas and to make them more efficient. For Stages IV and V, in which the focus is on integration, adaptability, and flexibility, the human resource function should be structured around core points of integration; it should not be based on the subfunctions. One option would be to organize the human resource function around the client groups that are served. An- other option would be to organize around integrative activities, such as planning, research, and information systems. The traditional sub- functions then could be organized under each subunit. Compensation, for example, would be addressed horizontally under each of the integrating forces in the planning, research, and information unit.

What Type of Training Should Human Resource Professionals Receive?

Human resource professionals who adopt a strategic orientation must accurately assess the organization's needs, constraints, and opportunities. They must understand the organization's environment and internal culture, and they must develop and implement programs and policies that meet the firm's needs. The human resource professional who adopts a strategic orientation needs five kinds of skills: (a) Information management skills-statistics, analysis, and re- search; (b) Planning skills-the knowledge of planning and planning methodologies plus statistics techniques; (c) Management skills-skills in the various business functions and environ- mental analysis; (d) Integration skills-competency at managing organizational interfaces, and skill in assessing the organization plus setting priorities; and (e) Change management skills- the skills of anticipating the future, facilitating changes, and developing organizational activities.

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