

A Need for Innovative Practices in Strategic Human Resource Management -An Outline

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I. INTRODUCTION

Human Resource Management (here onwards used as HRM) is the most function as of now. This is because people offer competitive advantage to a firm and managing people is the domain of HRM. An organization enjoys comparative advantage when it is the only one which can offer a product at a price and at quality which its competitors cannot do so.

People lend competitive advantage in several ways.

1. They offer skills, capabilities, systems, practices, speed, language bonding and behaviors, which help execute firm strategies successfully. Strategy implementation cannot be done by physical resources such as technology, building, machines and materials. It is people who can craft strategies and execute them effectively.
2. By aligning human resources plans to business plans, HR managers or strategic partners. HR professionals work with line managers to identify HR practices that help accomplish business strategy.
3. Innovation is the key to competitive advantage; fortunes of several companies have been revised thanks to innovation.
4. HR function seeks to convert an adverse situation into an opportunity.
5. Organizational designs do not remain static for a period of time. Environmental changes compel organizations redesign their structures.
6. HR executive is becoming an effective change agent. Change management is critical to the success of any firm and marks a difference between winners and losers. While winners anticipate and prepare themselves to adapt and assimilate the change. Losers are overtaken by events and are left behind. Business adopts three general response types to face change; initiatives, processes and cultural adaptations.

Human resources serve as suppliers of labor and create demand for whatever is produced in an economy. As Arthur Lewis observed, "there are great differences in development between countries which seem to have roughly equal resources, so it is necessary to enquire into the difference in human behavior".

HRM takes its root in the writings of Koutilya in the 400 B. C. In the modern era it has developed only since independence in India. HRM has certain objectives and supportive functions to realize them. To name a few –

1. To be ethically and socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organizations.
2. To recognize the role of HRM in bringing about organizational effectiveness.
3. To assist employees in achieving their personal goals, at least so far as these goals enhance the individual's Contribution to the organization. Some of the supporting functions are legal compliance, human resource planning, appraisal, training, compensations, union management relations and the like.

II. OBJECTIVES

1. To analyze the role of strategic HRM in the modern era.
2. Brief analysis of steps involved in strategic management.
3. To discuss the importance of strategic human resource management (here after used as SHRM).
4. To analyze some of the innovative practices in SHRM in the modern days.

III. METHODOLOGY

This paper is purely based on secondary sources and therefore it is analytical in nature.

3.1 Statement of the Problem :

The present paper tries to analyze the role of SHRM in the globalized era and some of the innovative practices influencing it. It also contains some information about barriers to SHRM.

The concept of SHRM evolved with the emphasis on an proactive, integrative and value driven approach to HRM. Before we understand the SHRM, let us try to know what a strategy is. According to Chandler, "Strategy is the determination of long term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources for carrying out these goals". Thus, SHRM is a systematic long term planning the positions an organization within it's external environment. In this era of globalization, every company having twin objectives of cost minimization and profit maximization needs strategic management, as it helps in forecasting changes well in advance and take advantage of the opportunities and reduce the risk. Better strategies help in better performance, better allocation of resources, gaining a sustainable competitive edge to have a holistic approach to business problems and integrated approach to decision making process.

SHRM views human resource as assets for investment and management of human resource as strategic rather than reactive, prescriptive and administrative. The definition of SHRM highlights two important dimensions that distinguish it from traditional HRM. Vertically, it links HR practices into the strategic management process of the firm and horizontally it emphasizes that HR practices are integrated and support each other. (Andersen, Cooper and Zinc, 2007).

3.2 SHRM Involves Certain Basic Steps

To Name a Few -

1. Vision, Mission, Objectives of the company which needs to be defined by the company.
2. External environmental analysis where company's strength and weaknesses are analyzed.
3. Formulation of alternative strategies based on available options.

SHRM has gained importance for the organizations in recent years because human resource is considered as the human capital. HR departments, one playing a strategic role and so HR functions are integrated with the mission, vision and strategies of a company.

We also find some barriers to SHRM. Some of them are as follows.

1. The organizations adopt a short term mentality and focus on the current performance. But the shareholders expect quick rewards and executives need to live up to these expectations. The employees expect quick rewards based on their performance but management might wait.
2. Inability of HR executives to think strategically. They are unable to update their knowledge with technical advancements.
3. Many of the senior managers lack appreciation for the value of HR and its ability to contribute to the organization from strategic perspective.
4. Some functional managers are concerned more with technical aspects of their area of responsibility than human aspects.
5. Problem of quantification of many of the outcomes and benefits of HR programs.
6. Human assets are not owned by organizations and therefore, are perceived as a higher risk investment than capital assets.
7. HR may be resisted because of the incentives for change that might arise.

3.3 Need for Innovative Practices in SHRM :

HR leaders need to know the critical importance of innovation today and how to contribute to the organization's innovation mandate by attracting and keeping the most innovative people, constantly improving their skills and creating a culture of innovation. This makes an organization different from others.

In simple terms innovation means introduction of new technology and inventions such as internet, smart phone etc. David Neeleman founder and CEO of JetBlue, started a new airline at a time when the market place was flooded with airlines. He said "Innovation is trying to figure out a way to do something better than it's ever been done before". To accomplish this, his edge was innovation.

Dave Ulrich, professor of business at the University of Michigan, has argued that HR leaders should assume a more vital, strategic role inside their companies, rather than merely keeping busy with everyday stuff like; policies, payroll, and picnics. Ulrich says that HR leaders should strive to build and strengthen the unique set of organizational capabilities that give an organization its competitive advantage. In essence, this means developing a particular mix of resources, processes and values that makes it hard for rivals to match what your organization does.

"According to Susan Meisinger, former president and CEO of the Society for Human Resource Management, "the take away for me in all this we think these things matter, but most of us are not doing something about it". Secondly, she adds "it is difficult, if it were easy, we would all be doing it".

There are three things that HR professionals can do to foster innovation;

1. Hire for innovation-which requires identifying people who can ‘‘think outside the box’’.
2. Create a culture for innovation-The ability to help, create, protect and build organizational culture is a critical role for HR to play, as it is a major driver for innovation.However,management needs to support,plan for and nurture an innovation culture for innovation to be successful. But some obstacles like lack of leadership support, rise-aversiveness, not engaging all employees may come up on the way towards creating a culture for innovation.
3. Train and reward for innovation-The right reward system provides a powerful force for reinforcing commitment,directing employee professional growth, and shaping the corporate culture to be more innovative.Compensation strategies, performance management tools and other targeted recognitionand reward programs will be of much help.

Gireesh Sharma in an article has given top ten HR Best Practices,the summary of which can be given as follows;

1. Safe, healthy and happy work place.
2. Open book management style.
3. Performance linked bonuses.
4. 360 degree performance management feedback system.
5. Fair evaluation system for employees.
6. Knowledge sharing.
7. Highlight performance of performers.
8. Open house discussions and feedback mechanisms.
9. Reward ceremonies.
10. Delightemployees with the unexpected.

IV. CONCLUSION

Even though the concept of HRM can be seen in the writings of Koutilya during 400 B.C. in India, it could develop into its full shape only during the 80s when a separate ministry called HRD was set up in India. Since then India has seen many major changes in the field of HRM.In almost every firm and industry we find a department to look into matters of HRD.

In this era of computers each individual thinks of quick rewards for whatever is done. So also organizations, many of them adopt short term policies which yield quick results as they have to please their stake holders who are naturally their shareholders who expect quick rewards, even the employees expect quick rewardsfor their performance.Many a time HR executives may not think strategically as their knowledge may be limited to particular areas only. In many organizations professionalism is lacking in the field of HRM as functional managers see themselves as HR managers. Cost benefit analysis is not done properly.

Even today there is a belief among investors that

Investment in human assets is risky.However,the most important first step is just that – to take that first step .It is a large and exciting change process. Even a small initiative can help to demonstrate the possibilities of a more robust effort But it can be said without any doubt that wherever we go,whatever we do, human face is the beautiful one that motivates everyone.

V. REFERENCES

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