



Strategic Human Resource Management

LO 1

Understand how the strategic management of human resources contribute to the achievement of organizational objectives.

AC 1.1

Explain the importance of strategic human resource management in organizations.

Human Resource Management Defined

- It is a strategic, integrated and coherent **approach** to the employment, development and well-being of the people working in organizations.

(Armstrong and Taylor, 2014)

HRM Defined

A later comprehensive definition was offered by Watson (2010: 919):

HRM is the managerial utilisation of the efforts, knowledge, capabilities and committed behaviors which people contribute to an authoritatively co-ordinated human enterprise as part of an employment exchange (or more temporary contractual arrangement) to carry out work tasks in a way which enables the enterprise to continue into the future.

HRM Defined

- Boxall and Purcell (2003: 1) defined human resource management as 'all those activities associated with the management of employment relationships in the firm'.

Goals of HRM

- support the organization in achieving its objectives by developing and implementing human resource (HR) strategies that are integrated with the business strategy(strategic HRM);
- contribute to the development of a high-performance culture;

Goals of HRM

- ensure that the organization has the talented, skilled and engaged people it needs;
- create a positive employment relationship between management and employees and a climate of mutual trust;
- encourage the application of an ethical approach to people management.

Characteristics of HRM

- The characteristics of the HRM approach is to discover, polish, improvise the talent and potential that people working within the organization have working in them but are not aware of that, thus improving the quality, efficiency, and productivity and satisfaction.
- HRM aims to resolve any problems and conflicts that employees are facing.
- The maintenance of discipline is also characterised by HRM.

Underpinning Theories of HRM

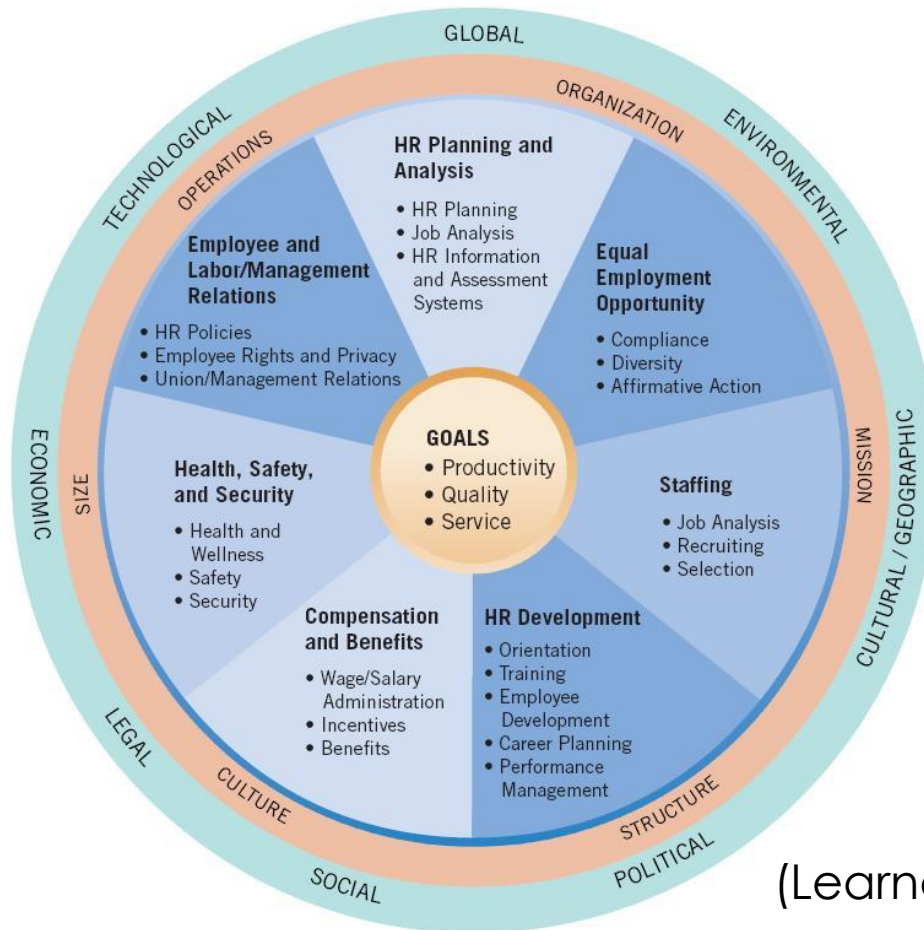
- ◉ Commitment
- ◉ Motivation
- ◉ The resource based view
- ◉ Organizational behavior theory
- ◉ Contingency theory
- ◉ Institutional theory
- ◉ Human capital theory

Underpinning Theories of HRM

- Resource dependence theory
- AMO Theory
- Social exchange theory
- Transaction cost theory

Models of HRM

- ◉ The Matching model
- ◉ The Harvard Model
- ◉ Contextual Model
- ◉ The Five P Model
- ◉ Hard and Soft Models
- ◉ European Model
- ◉ D Guest's Model



(Learnershrm.blogspot.com, 2016)

HRM vs Personnel Management

	Personnel management	Human resource management
Time and planning perspective	Short term, reactive, ad hoc, marginal	Long term, proactive, strategies, integrated
Psychological contract	Compliance	Commitment
Control systems	External controls	Self-control
Employee relations perspective	Pluralist, collective, low trust	Unitarist, individual, high trust
Preferred structures/systems	Bureaucratic/mechanistic, centralised, formal, defined roles	Organic, devolved, flexible roles
Roles	Specialist/professional	Largely integrated into line management
Evaluation criteria	Cost minimisation	Maximum utilisation (human asset accounting)

(Stepbystep.com, 2013)

Discussion Questions

1. What is HRM?
2. What are your views on the characteristics of HRM?
3. Explain at least four models of HRM.
4. List and explain the HR activities.
5. What are the differences between HRM and personnel management?

HR Strategy



(Simplehrguide.com, 2016)

Strategy

- Strategy is the approach selected to achieve specified goals in the future.
- Strategy has three common characteristics:
 - Forward looking
 - is the recognition that the organizational capability of a firm(its capacity to function effectively) depends on its resource capability (the quality and quantity of its resources and their potential to deliver results).
 - Aims to achieve strategic fit

Strategic Human Resource Management

- The practice of attracting, developing, rewarding and retaining employees with the strategic goal of increasing the benefit to both the employees as individuals and the organization as a whole. (Study.com, 2016)

What is the difference between HRM and SHRM?

- HRM- focuses on recruiting, hiring, the best employees and providing them with a compensation, benefits, training and development. Essentially whatever they need to be successful in an organization. (Study.com, 2016)

What is the difference between HRM and SHRM?

- SHRM- takes it a bit further, by doing all the things HRM do, however with a specific goal in mind, that works in conjunction with the goals of the other organizational department
- It ensures that ALL objectives are aligned with the mission, values, and goals of the organization of which they are apart.
(Study.com, 2016)

Key SHRM Points

- It doesn't work by itself
- It interacts with other departments within the organization in order to understand their goals, then creates a strategy that aligns with those operational goals, as well as the stated goals of the organization. (Study.com, 2016)

Key SHRM Points

- It is seen as a partner in organizational success, as opposed to a necessity for legal compliance or compensation.
- It uses the talent and opportunity within human resources to make other departments stronger and more effective. (Study.com, 2016)



The Importance of SHRM

- The primary goal of strategic human resources is to increase employee skills by focusing on business problems that happens outside of human resources. (UK Essays, 2016)
- To deal with issues such as:
 - Globalization
 - Internalization of market integration
 - New concepts of general management
 - Cross cultural factors (UK Essays, 2016)

The importance of SHRM

- SHRM provides a greater chance of organizational success(Study.com, 2016).
- Helps a company attain its goals (wiseGEEK, 2016)

Benefits of Strategic Management on the organization

- Allows identification, prioritization and exploitation of opportunities.
- Provides an objective view of management problems.
- Represents a framework for improved co-ordination and control of activities.
- Minimizes the effects of adverse conditions and changes.

(YourArticleLibrary.com: The Next Generation Library, 2014)

Discussion questions

- What is SHRM?
- What is a strategy?
- Why are strategies important?
- What is the importance of SHRM in organizations?

Additional Reading/Resources

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Additional Reading

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