

LGO2222 Human Resource Management in LGO.

COLLECT AND REARRANGE BY
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Strategic HRM

CHAPTER 2.

Strategic Human Resource Management

Involves the development of a consistent, aligned collection of practices, programs, and policies to facilitate the achievement of the organization's strategic objectives.

Requires abandoning the mindset and practices of "personnel management" and focusing on strategic issues than operational issues.

Integration of all HR programs within a larger framework, facilitating the organization's mission and its objectives.

EXHIBIT 4-1: POSSIBLE ROLES ASSUMED BY THE HR FUNCTION



Traditional HR versus Strategic HR

EXHIBIT 4-2: TRADITIONAL HR VERSUS STRATEGIC HR

	Traditional HR	Strategic HR
Responsibility for HR	Staff specialists	Line managers
Focus	Employee relations	Partnerships with internal and external customers
Role of HR	Transactional, change follower and responder	Transformational, change leader, and initiator
Initiatives	Slow, reactive, fragmented	Fast, proactive, integrated
Time horizon	Short-term	Short, medium, long (as necessary)
Control	Bureaucratic—rules, policies, procedures	Organic—flexible, whatever is necessary to succeed
Job design	Tight division of labor, independence, specialization	Broad, flexible, cross-training, teams
Key investments	Capital, products	People, knowledge
Accountability	Cost center	Investment center

Barriers to Strategic HR

EXHIBIT 4-3: BARRIERS TO STRATEGIC HR

- Short-term mentality/focus on current performance
- Inability of HR to think strategically
- Lack of appreciation of what HR can contribute
- Failure to understand general manager's role as an HR manager
- Difficulty in quantifying many HR outcomes
- Perception of human assets as higher risk investments
- Incentives for change that might arise

EXHIBIT 4-4: OUTCOMES OF STRATEGIC HR

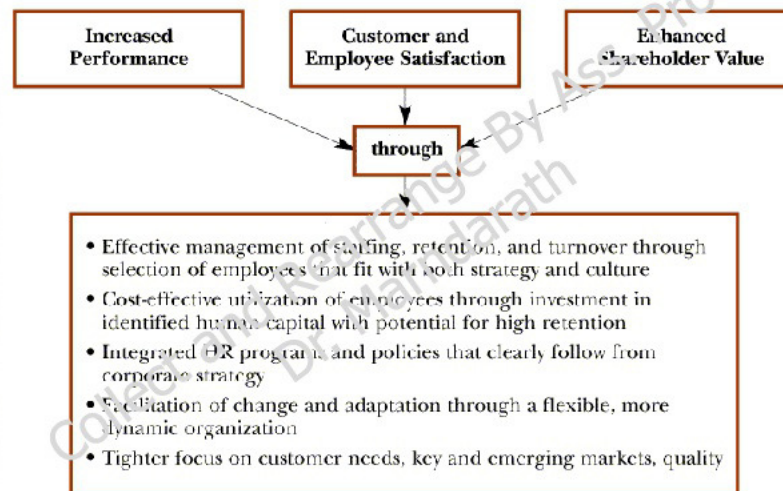
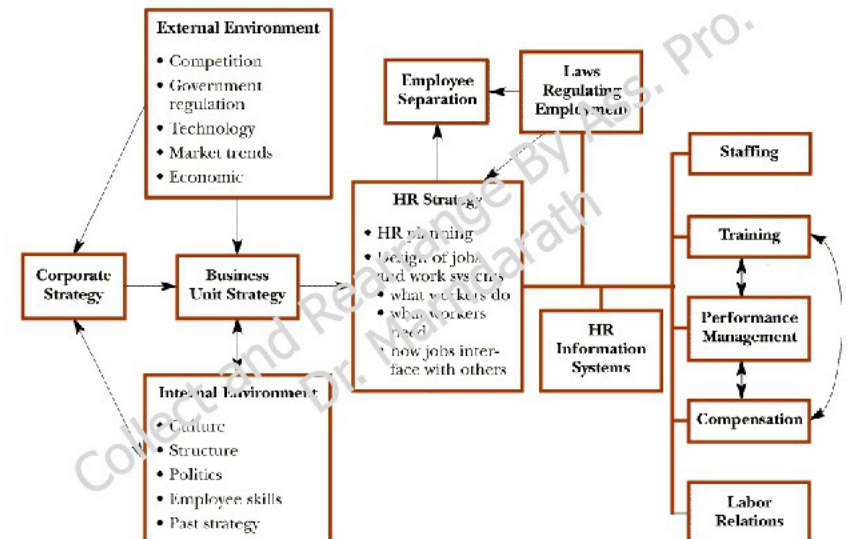


EXHIBIT 4-5: A MODEL OF STRATEGIC HUMAN RESOURCE MANAGEMENT



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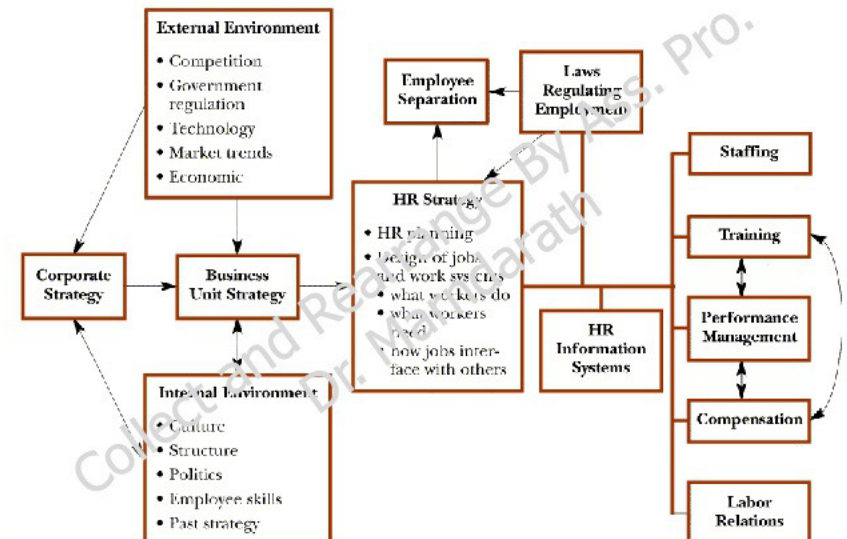
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EXHIBIT 4-4: OUTCOMES OF STRATEGIC HR



- Effective management of staffing, retention, and turnover through selection of employees that fit with both strategy and culture
- Cost-effective utilization of employees through investment in identified human capital with potential for high retention
- Integrated HR programs and policies that clearly follow from corporate strategy
- Facilitation of change and adaptation through a flexible, more dynamic organization
- Tighter focus on customer needs, key and emerging markets, quality

EXHIBIT 4-5: A MODEL OF STRATEGIC HUMAN RESOURCE MANAGEMENT



Reading 4.1: HR and Organizational Excellence

HR can help deliver organizational excellence by:

- Becoming a partner with senior and line managers in strategy execution.
- Becoming expert in the way work is organized, delivering administrative efficiency to ensure that costs are reduced while quality is maintained.
- Becoming a champion for employees, representing their concerns to senior management and working to increase employee contributions.
- Becoming an agent of continuous transformation by shaping processes and organizational culture.

Reading 4.1: Five Critical Business Challenges

Globalization

Profitability through Growth

Technology

Intellectual Capital

Change, Change, and More Change

Reading 4.1: HR as Strategy Execution Partner

HR is responsible for defining an organizational structure as the model for the company's way of doing business.

HR must be accountable for conducting an organizational audit.

HR is to identify methods to renovate part of the organizational architecture.

HR must take stock of its own work and set clear priorities.

Reading 4.1: HR and Organizational Culture

HR can help bring about a cultural change by:

- Defining and clarifying the concept of cultural change.
- Articulating why cultural change is central to business success.
- Defining a process for assessing the current culture and the desired new culture, as well as measuring the gap between the two.
- Identifying alternative approaches to creating culture change.

Reading 4.3: Analyzing Dysfunctional Cultures

Which components of the culture are misaligned?

What priorities should be assigned each of the gaps between what the culture is and what people feel that it should be?

What resources are needed and how should they be used to change the culture?

How should the change effort be managed and who does what?

What role should HR strategy play in signaling, making and reinforcing the necessary changes?