

STRATEGIC HUMAN RESOURCE MANAGEMENT

LECTURE 1ST

INTRODUCTION

What is strategic human resource management?

Strategic human resource management is the connection between a company's human resources and its strategies, objectives, and goals. The aim of strategic human resource management is to:

- Advance flexibility, innovation, and competitive advantage.
- Develop a fit for purpose organizational culture.
- Improve business performance.

In order for strategic human resource management to be effective, human resources (HR) must play a vital role as a strategic partner when company policies are created and implemented. Strategic HR can be demonstrated throughout different activities, such as hiring, training, and rewarding employees.

Strategic HR involves looking at ways that human resources can make a direct impact on a company's growth. HR personnel need to adopt a strategic approach to developing and retaining employees to meet the needs of the company's long-term plans.

Why is strategic human resource management important?

Companies are more likely to be successful when all teams are working towards the same objectives. Strategic HR carries out analysis of employees and determines the actions required to increase their value to the company. The following are benefits of strategic human resource management:

- Increased job satisfaction.
- Better work culture.
- Improved rates of customer satisfaction.
- Efficient resource management.
- A proactive approach to managing employees.
- Boost productivity.

Seven steps to strategic human resource management

Strategic human resource management is key for the retention and development of quality staff. It's likely that employees will feel valued and want to stay with a company that places a premium on employee retention and engagement. Before you implement strategic human

resource management, you will need to create a strategic HR planning process using the steps below:

1. Develop a thorough understanding of your company's objectives

Since the success of strategic HR is dependent on how well it links to your company's goals, you need to have a thorough understanding of your aims, objectives, and mission. You'll need to be able to articulate both your short and long-term plans for growth to the relevant HR personnel. Ensuring clear communication of your company's goals will make it easier for HR personnel to formulate an effective resource management strategy.

2. Evaluate your HR capability

Evaluating your current HR capabilities will enable you to understand the employees you have and how they contribute to fulfilling your goals and objectives. Additionally, you should also undertake a skills inventory for every employee. Skills inventories help you to discover which employees are experts in particular areas.

It also helps you to identify the employees who have an interest in being trained in a particular aspect of your company. A great time to assess skills is during a performance review. However, the traditional performance review is dying.

3. Estimate your company's future HR requirements

After an analysis of your company's employees and skills has been done in relation to your objectives, it's time to forecast your HR needs. The forecast should be done in relation to:

Demand – A prediction needs to be made in relation to the number of employees with the associated skills that will be required in order for your company's future needs to be met.

Supply – Looks at the employees and skills that are currently available to help your company achieve its strategic goals.

4. Determine the tools required for employees to complete the job

HR personnel need to liaise with the appropriate departments to find out how the tools used by employees impact on their ability to perform their roles. For example, an audit of hardware and software can be undertaken jointly with the I.T department to identify gaps in tools that will facilitate a more organized workforce.

5. Implement the human resource management strategy

After the analysis and forecast of your company's HR requirements have been completed, it's time to start the process of expanding your workforce and developing current workers to equip your company for future growth. You can achieve the implementation of your human resource management strategy by doing the following:

Start with the recruitment stage – At this point, HR professionals begin searching for candidates who possess skills that have been identified during the HR strategic planning process.

Organize a selection process – Interviews and other selection criteria take place at this time. Interview questions such as “what are your salary requirements?” and relevant tests will be used to assess whether the candidate is suitable to carry out the role.

Begin hiring applicants – Your company will make the candidate a job offer after all appropriate checks have been carried out.

6. Evaluation and corrective action

HR personnel should decide on a timeline to carry out a strategic HR management review. This review will track the progress made and also identify areas for improvement. The review should be measured against whether changes are helping your company to achieve their goals.

Corrective action must be taken if strategic human resource management is failing to meet its objectives.