

HUMAN RESOURCE STRATEGIES IN CURRENT SCENARIO

Abstract

The purpose of this chapter is to discuss some of the essential elements and contemporary developments in HR strategy. The goal of human resource strategy is to help staff members develop the skills, viewpoints, and behavior necessary for the organization to accomplish its goals. Human resource strategy is a set of guidelines for controlling the workforce through HR policies and procedures. Numerous HR-related issues are covered, such as hiring, compensation, performance management, reward and recognition, employee relations, and training. The HR strategy of a firm must be in line with its objectives, purpose, and vision. Employee competences, abilities, and behaviors have not frequently served as the foundation for competitive strategies, and HR departments continue to be among the least influential in the majority of organizations. In reality, executives have long sought to "take human resources out of the strategy equation, i.e., by substituting capital for labor where possible, and by designing hierarchical organizations that separate those who think from those who actually do the work," as stated by Snell, Youndt, and Wright (1996:62).

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I. INTRODUCTION

Before creating an HR strategy, the company must examine the characteristics of its industry, define its competitive edge, and identify key players and crucial processes. Separate plans may need to be designed for each group of individuals in the organization depending on their skills, expertise, and job duties. The systems, people, and culture of the organization must be considered in the plan.

The core principles guiding the Human Resources Strategy:

- Views its people as its most valuable resource
- Recognizes their importance to stakeholders, such as employers, and students' educational experiences.
- Appreciates the significance of the relationship between effective people management and the overall success of the College.
- Appreciates how important it is to find and keep talented, committed workers if you want your business to succeed in the long run.

II. HUMAN RESOURCE MANAGEMENT

Human resource management (HRM) describes the values, guidelines, and organizational frameworks that influence how employees behave, think, and perform. In many companies, HRM is referred to as entailing "people practices." Figure 1.1 highlights the fact that there are numerous essential HRM practices. The strategy driving these practices must be taken into consideration in order to maximize their impact on corporate performance. The figure shows that task analysis and design, determining human resource requirements (HR planning), attracting candidates (recruiting), selecting candidates (selection), instructing candidates on how to perform their jobs and preparing them for the future (training and development), compensating candidates (compensation), evaluating candidates' performance (performance management), and fostering a positive workplace culture (employee relations) are all examples of HRM practices. The HRM practices discussed in the opening to this chapter illustrated how effective HRM practices promote business goals and objectives. In other words, strategic HRM techniques work! Effective human resource management has been shown to boost company performance by encouraging customer and employee satisfaction, productivity, creativity, and the development of a positive reputation in the firm's local community. The potential impact of HRM on business performance has just recently come to light.

III. COMPETITION-RELATED BARRIERS THAT AFFECT HRM

In this graph, the most significant skills that employers can use are highlighted. These and other abilities that are required for firms to compete in the global market are lacking in new hires. Many studies show the skill gap that organisations are experiencing. A Business Roundtable survey found that 62% of businesses find it challenging to find qualified people to fill open positions. At least 16% of respondents indicated their staff members had skill gaps that had a bad impact on productivity. Regardless of educational background, only half of the companies surveyed by The Conference Board, American Society for Training and Development, Society for Human Resource Management, and Corporate Voices for Working

Families rated new hires as being adequately prepared for the workplace. Businesses were particularly in need of people with essential skills in reading, writing, and maths.

IV. HOW TO MASTER STRATEGY IN HR?

Particularly in businesses that view their personnel as a key asset, human resources should be a key component of corporate strategy. But in order to engage other company departments, speak their language, and overcome some inherent challenges, you must interact with them.

Consider a recent CIPD study that found that nearly one in five business executives (18%) are unaware of how HR contributes to corporate strategy and another 18% think senior HR staff has no effect at all.

Despite the fact that HR's contribution to strategy may occasionally go unrecognized, 70% of CEOs want their HR directors to play a crucial part in strategic planning, according to a 2012 Economist Intelligence Unit report. Discussions about the purpose and possibilities of the role typically focus on HR's ability to influence more general business strategy.

Can 'HR strategy' even be described at all?

Mark Sandham, senior vice-president of organizational effectiveness and HR operations at Thomson Reuters, believes it is possible. The definition he prefers is "a people strategy designed to enable business goals and objectives." He claims that it is impossible to create an HR strategy in a vacuum and maintain it internally focused on HR activities and results. Instead, you should be aware of the company's strategy, the level of knowledge needed, the countries or clients involved, and the associated costs. From there, you may develop a plan that supports the goals of the business and is focused on your team. The days when HR was simply concerned with implementing policies and sustaining employee relationships, in Sandham's opinion, are long gone.

V. COMPETITIVE ADVANTAGE: A VIEW FROM THE INDUSTRY

According to Porter (1985), from an industrial perspective, there are two methods for a firm to outperform its competitors: cost reduction or product differentiation. Producing a comparable commodity or service for less money than competitors is part of the cost-cutting strategy; as a result, assuming they can charge a comparable price, they will have a larger profit margin than competitors. On the other hand, the product differentiation strategy calls for developing a unique product from competitors that is extremely valued to consumers. Due to their distinctiveness, they can demand a higher price for the goods, and if this price is greater than the additional production costs of the unique product, they will profit more. Porter thought that these two tactics were mutually exclusive and that businesses had to choose one in order to possibly get a competitive advantage because differentiating a product often entailed higher costs. The opposite is also true; organisations usually have to give up some product or service distinctiveness in order to be the cost leader (Porter, 1985). To gain a competitive advantage, an organization's resources must be effective (Barney, 1995). But how can the assets of a company, particularly its human assets, be appropriately valued? (Priem and Butler, 2001). This refers to the value they bring to the organisation rather than

their salary (Wright et al., 1994). There is no way to take value for granted. It is crucial to first understand the resources in connection to the market that the firm is participating in since the specific skills and talents that each individual possesses will change in value based on the industry in which the organisation competes (Barney, 2001). The ability of the company to seize chances and mitigate the effects of threats, as well as how the organisation perceives and responds to opportunities and threats in a changing environment, can then be used to determine value (Barney, 1995).

VI. CORPORATE STRATEGY, PART SIX

Corporate strategy is a company's overarching plan for operating across all of its various business divisions and markets. By doing this, the problem of "How do we structure the overall business, so that all of its parts create more value together than they would individually?" is resolved. It determines how the organization as a whole fosters and raises the value of the internal business units. This can be accomplished by businesses through the development of strong internal capabilities, the sharing of technologies and resources throughout business units, effective capital generation, the development of a strong corporate brand, and other tactics. Our focus at this stage of strategy is on figuring out how resources should be distributed to provide the most value possible and how the company's business units should work together. The use of instruments like Porter's Generic Strategies, the Boston Matrix, and other high-level planning and analysis techniques will be beneficial. The organization's structure is another essential strategic factor that must be considered at this level. You may accomplish your strategic goals by utilizing your organizational structure, human resources, and other resources, all of which have an impact on your competitive edge.

VII. DIFFERENT HR STRATEGIES

As a result of the diversity inside every organization, every HR strategy is distinct. There is no such thing as a set of universal characteristics. The HR strategy research by Armstrong and Long (1994) and Armstrong and Baron (2002) revealed numerous variations. Some strategies are essentially very vague declarations of desire. Some folks are quite detailed. But there are basically two types of HR strategy. The first two techniques are broad, and the second is focused on different aspects of human resource management.

Comprehensive HR Strategy: Comprehensive strategies describe the organization's overall goals for how employees should be managed and developed, as well as the steps that should be taken to make sure the business can find and keep the employees it needs and maintain, to the greatest extent possible, a committed, motivated, and engaged workforce. They are probably articulated as broad statements of objectives, which form the basis of more specific strategies. According to Boxall and Purcell (2003), they are focused on gaining a human resource advantage through employing "better people in organizations with better process," creating "a great place to work," and generally making the workplace "a great place to work."

The following are a few examples of overarching HR strategy statements:

1. The Human Resources Integrated Approach (AEGON) aims to ensure that pay management, performance, career development, and reward are related and consistent from whichever perspective staff currently views them.
2. B&Q should increase employee loyalty and stop losing its best employees. Think of B&Q as one of the best employers in the UK.
3. Egg: The primary factor influencing HR strategy was the requirement of attracting, maintaining, and retaining the appropriate personnel to carry it out. The objective was to develop a system that was consistent with the business and communicated our commitment to treating every client fairly. We would treat our employees the same manner we treated our patrons. We sought to alter both the culture and how people conduct business. (HR Director)
4. GlaxoSmithKline: We want GSK to be a place where the most gifted people may exhibit their maximum level of performance.
5. An insurance company without the people, we couldn't deliver anything in this field. We are dedicated to resolving the human issues in order to carry out the strategy. The strategy is largely created and carried out by the individuals on behalf of the organization. We give people our first priority through prioritizing strategic thought. If we have the right people, the right training, the right credentials, and the right culture, we can put our strategy into action. Anything different is not feasible. (President and CEO)
6. Lands' End: Founded on the premise that happy employees who feel appreciated and respected at work and are encouraged to advance professionally will provide the best service to customers.
7. Pilkington Optronics: For the HR strategy to be successful, the business plan must be supported, as one of the important success factors for the company is its ability to attract and retain the best employees. HR strategy must be informed by industry best practices.
 - **A community service:** If your HR values are off, you can forget about the rest. The only HR strategy you actually need is the application of values and the physical presentation of values.
 - **A company that manufactures:** The HR strategy's objective is to encourage widespread reforms that, as a result of our workforce's efforts, will eventually result in a competitive advantage. Rapid learners will prosper in a field where rapid followers are the rule.
 - **A collection of shops:** The biggest challenge will be maintaining competitive advantage, which we must do by continuing to attract top-tier personnel. Although people are a company's most significant asset, they are sometimes ignored as the key differentiator in all the business does. Money is easy to get, but good people are not.

Growing our business directly influences all we do in terms of organizing our training and human resources..

VIII. REQUIREMENTS FOR AN EFFECTIVE HR STRATEGY

A HR strategy is effective if it achieves the goals it was intended to. Specifically, it: Business requirements must be met in order for a plan to be effective: it must:

- meet those requirements;
- be based on careful research and analysis, not just conjecture;
- be able to be turned into executable programs that take implementation needs and challenges into account;
- be cohesive and integrated, made up of parts that fit together and support one another;
- take into account the needs of the organization and its other stakeholders as well as those of line managers and employees "HR planning should aim to meet the needs of the key stakeholder groups involved in people management in the firm," emphasize Boxall and Purcell (2003).

IX. CONCLUSION

Both the department and HR must change in many ways. The rate of change is anticipated to accelerate as public and political expectations for service standards continue to rise. The objective of human resource management is to strike a balance between an organization's needs and employee growth. Tarmac depends on its employees since they are necessary to achieving the organization's objectives. Every worker at Tarmac has a significant role to play. The objective is to encourage interpersonal cooperation planning for the workforce is a part of this strategic approach, which takes the long-term needs of all the organizations into account. Each employee can improve both professionally and personally inside the organization with the help of personal development programs. Additionally, they help Tarmac create a distinct and significant competitive advantage by selecting and developing staff that are highly competent, motivated, and able to perform at a high level.

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