

Human Resource Strategies in Current Scenario

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Abstract

This chapter's goal is to explain some of the key components and recent advancements in HR strategy. The purpose of human resource strategy is to assist employees acquire the abilities, perspectives, and conduct that will enable the organization to achieve its objectives. Principles for managing the workforce through HR policies and practices make up human resource strategy. It addresses a variety of HR-related topics, including hiring, pay, performance management, reward and recognition, employee relations, and training. A company's HR strategy needs to be in line with its goals, mission, and vision. Most organizations' HR departments continue to be among the least influential, and employee competencies, abilities, and behaviors have not usually formed the basis for competitive strategies. In fact, executives have historically tried 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 noted by Snell, Youndt, and Wright (1996:62)."

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I. Introduction

The business must analyze the traits of its industry, define its competitive advantage, and identify important people and essential procedures before developing an HR strategy. Depending on their abilities, knowledge, and responsibilities, separate strategies may need to be developed for each group of employees in the organization. The plan needs to take into account the organization's systems, people, and culture.

The fundamental ideas behind the Human Resources Strategy:

- Considers its employees to be its most significant resource
- Acknowledges that they are crucial to students' learning experiences and other stakeholders, such as employers.
- Recognizes the significance of the link between excellent people management and the College's overall performance.
- Recognizes the significance of recruiting and keeping motivated, competent, and successful employees in connection to the long-term success of the organizations.

II. Human Resource Management

Human resource management (HRM) refers to the principles, procedures, and frameworks that shape how workers act, think, and perform. In many businesses, HRM is referred to as involving "people practices." The fact that there are various crucial HRM practices is emphasized in Figure 1.1. To maximize the impact of these practices on business performance, the strategy guiding them must be taken into account. As depicted in the figure, HRM practices include task analysis and design, identifying human resource requirements (HR

planning), luring 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), assessing candidates' performance (performance management), and fostering a positive workplace culture (employee relations). The HRM procedures covered in this chapter's introduction demonstrated how successful HRM procedures support corporate goals and objectives. In other words, strategic HRM practices are effective! It has been demonstrated that effective HRM improves business performance by fostering employee and customer satisfaction, innovation, productivity, and the growth of a positive reputation in the firm's community. Only lately has HRM's potential impact on business performance been acknowledged.

III. Competitive Obstacles Affecting HRM

The most important applicable talents for employers are displayed in this graph. New employees lack these and other skills necessary for businesses to compete in the global market. Numerous studies demonstrate the skill gap that businesses are facing. According to a Business Roundtable poll, 62% of employers say it's hard to locate competent candidates to fill unfilled positions. More than half of respondents said at least 16% of their employees had skill gaps that negatively impacted productivity. The Conference Board, American Society for Training and Development, Society for Human Resource Management, and Corporate Voices for Working Families conducted a study that discovered that, regardless of educational background, only half of the companies surveyed rated new hires as being adequately prepared for the workplace. Reading, writing, and math fundamental abilities were most in need by businesses.

IV. How HR can master strategy?

HR should be an integral aspect of corporate strategy, especially in companies that value their employees as a major asset. But getting the CEO's attention requires interacting with other company functions, speaking their language, and getting past some inherent obstacles.

Consider recent study from the CIPD, which reveals that almost one in five company leaders (18%) are ignorant of HR's contribution to corporate strategy, and another 18% believe senior HR personnel have no influence at all.

According to a 2012 Economist Intelligence Unit study, 70% of CEOs want their HR directors to play a vital role in strategic planning, despite the fact that HR's contribution to strategy may occasionally go unrecognized. Discussions concerning the goal and potential of the function frequently centre on HR's capacity to affect broader corporate strategy.

Can 'HR strategy' even be defined, to begin with?

At the media and information company Thomson Reuters, Mark Sandham, senior vice-president of organizational effectiveness and HR operations, thinks it can. He instead favors the definition of HR strategy as "a people strategy designed to enable business goals and objectives." He asserts that you cannot develop an HR strategy in a vacuum and keep it internally focused on HR tasks and outputs. "Instead, you need to know the direction the company is taking, what kind of expertise is required, in which nations or for which clients, and at what cost. From there, you may create a strategy centred on your team to support the company's objectives. According to Sandham, the days when HR was only concerned with adopting procedures and maintaining employee interactions are long gone.

V. Competitive Advantage - Industry Perspective

Porter (1985) asserts that there are two ways for a corporation to achieve a competitive advantage over its rivals from an industry perspective: cost reduction or product differentiation. The cost-cutting strategy entails producing a comparable good or service at a lower price than rivals; hence, assuming they can charge a comparable price, they will have a bigger profit margin than rivals. On the other side, the product differentiation

approach entails creating a differentiated product from rivals that is distinctive in a way that is highly valuable to consumers. They can demand a higher price for the goods since they are distinctive, and if this price is more than the additional production costs of the differentiated product, they will make more money. Because distinguishing a product typically entails higher costs, Porter believed that these two strategies were mutually exclusive and that businesses must choose one in order to possibly obtain competitive advantage. The inverse is also true; in order to be the cost leader, businesses frequently have to give up some product or service distinctiveness (Porter, 1985). An organization's resources must be useful in order to have a competitive edge (Barney, 1995). But how can an organization's resources, especially its human resources, be valued fairly? 2001 (Priem and Butler). This doesn't refer to their pay, but rather to the value they add to the organisation (Wright et al., 1994). It is not possible to assume value. The precise skills and talents that each individual possesses will vary in value depending on the market in which the organisation competes, so it is important to first understand the resources in relation to the market that the company is competing in (Barney, 2001). The ability of the organisation to take advantage of opportunities and lessen the impact of threats can then be used to determine value, as can how the organisation recognises and reacts to opportunities and threats in a changing environment (Barney, 1995).

VI. Corporate Strategy

A company's corporate strategy is its overall plan for functioning across all of its many business units and marketplaces. It solves the question of "How do we structure the overall business, so that all of its parts create more value together than they would individually?" It decides how the corporation as a whole supports and enhances the value of the business units inside it. Companies can achieve this by developing strong internal competencies, exchanging technologies and resources among business units, generating capital efficiently, cultivating a powerful corporate brand, and other strategies. At this level of strategy, our focus is on understanding how resources should be allocated to generate the most value feasible, as well as how the business units within the firm should fit together. This kind of high-level analysis and planning will benefit from the use of tools like Porter's Generic Strategies, Boston Matrix, etc. Another crucial strategic element that needs to be taken into account at this level is the structure of the organization. Your organizational structure, human resources, and other resources all impact your competitive advantage and can help you achieve your strategic objectives.

VII. Types of HR Strategies

All HR strategies are unique due to the diversity of all organizations. The idea of a collection of universal traits does not exist. Numerous variances were found in the HR strategy research by Armstrong and Long (1994) and Armstrong and Baron (2002). Some tactics are merely extremely broad statements of desire. Some people go into great depth. However, there are two fundamental categories of HR strategies. The first two are broad strategies, and the second is targeted strategy pertaining to various facets of human resource management.

- A. Overarching HR strategies:** Overarching strategies outline the organization's overall intentions for how people should be managed and developed, as well as the actions that should be taken to ensure that the company can recruit and retain the employees it needs and maintain, to the greatest extent possible, a committed, motivated, and engaged workforce. They are likely to be stated as general declarations of objectives, which serve as the foundation for more detailed strategies. They are focused with obtaining human resource advantage through, as Boxall and Purcell (2003) point out, hiring "better people in organizations with better process," producing "a great place to work," and generally making the workplace "a great place to work."

Examples of overarching HR strategy statements include the ones below:

- a. **AEGON:** The Human Resources Integrated Approach seeks to guarantee that the components of pay management, performance, career development, and reward are consistent and connected from whichever viewpoint staff presently views them.
 - b. **B&Q:** Strengthen employee loyalty and reduce the exodus of the company's top talent. Consider B&Q as one of the UK's top employers.
 - c. **Egg:** The necessity of attracting, maintaining, and retaining the proper people to carry it out was the fundamental factor determining HR strategy. The goal was to implement a system that matched the company and expressed our desire to treat all of our clients equally. We would act in the same way towards our people as we would towards our clients. We aimed to change the way individuals conduct business and the culture. (Director of HR)
 - d. **GlaxoSmithKline:** We want GSK to be a place where the most talented individuals can perform at the highest level.
 - e. **An insurance provider** We wouldn't be able to deliver anything in this industry without the people. In order to execute the strategy, we are committed to resolving the human concerns. On behalf of the organization, the people create and carry out the plan to a large extent. We prioritize thinking strategically by putting people first. We can implement our strategy if we have the proper personnel, the appropriate training, the appropriate qualifications, and the appropriate culture. Anything else would be impossible. (Chairman and CEO)
 - f. **Lands' End:** Based on the idea that employees, who are happy, are encouraged to grow professionally, and feel valued and respected at work will give consumers the finest service.
 - g. **Pilkington Optronics:** Considering that one of the key success factors for the business is its capacity to attract and retain the finest talent, the HR strategy must support the business plan in order to be effective. The best practices in the industry must guide HR strategy.
- B. A public service:** The only HR strategy you actually need is the application of values and the concrete presentation of values; if your HR values are off, you can forget about the rest.
- C. A business that produces:** The goal of the HR strategy is to promote broad-based improvements that will ultimately lead to a competitive advantage thanks to the efforts of our workforce. Those that pick things up quickly will succeed in a field where quick followers are the norm.
- D. A group of retail stores:** Maintaining competitive advantage will be the largest task, and in order to accomplish so, we must continue to draw in talent of the highest caliber. People are a company's most valuable asset, but they often get overlooked as the essential differentiator in all the firm does. While money is simple to obtain, excellent people are not.

Everything we do in terms of training and manpower planning is a direct result of growing our business.

VIII. Requisites for a successful HR strategy:

A successful HR strategy is one that accomplishes the objectives it was designed to. In particular, it:

- a. will meet business requirements;
- b. be based on thorough research and analysis, not just speculation;
- c. can be made into executable programs that account for the needs and issues of implementation;
- d. is cohesive and integrated, consisting of parts that fit together and provide support for one another;
- e. considers the needs of the organization and its other stakeholders as well as those of line managers and employees in general. "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

In many aspects, both the department and HR must evolve. The public and political expectations for service levels will continue to climb, and the rate of change is expected to pick up speed. The goal of human resource

management is to balance the development of employees with the needs of the organization. Tarmac relies on its workforce since they are essential to attaining the company's goals. Every employee at Tarmac has a crucial job to play. The goal is to facilitate collaboration among people. This strategic strategy, which considers the long-term needs across the organizations, includes workforce planning. Personal development programs allow each employee to advance both professionally and personally inside the organization. Additionally, they assist Tarmac in building a distinct and significant competitive advantage by hiring and training personnel that are highly motivated, skilled, and capable of high-level performance.

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