

Strategic Human Resources Management in Organizations: A Logical Exploration of the Nature, Process and Rationales

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Abstract: Increasing changes stemming from globalization, information and communication technology, scarce resources and competitions have attracted the attention of many scholars in strategic human resources management. Human resources play pivotal roles in effective and efficient functioning of organizations. In the face of growing competition among organizations over limited resources and market, organizations can only gain competitive advantage via strategic management. Thus, the strategic roles of human resource management in the long term viability of any profit or nonprofit making organization cannot be under scored. The study systematically examined the nature, process and rationales for strategic human resources management in organizations. The methodology of the study is qualitative and descriptive. Relevant materials on strategic human resources management were generated through secondary and primary sources and subjected to contextual-descriptive analysis. The study shows, among others, that strategic human resources management is a source of competitive advantage strength for organizations and has considerable impacts on the bottom-line of the employees and organization performance. It is a core managerial role which is at the centre of organizations' key to success since it ensures that the organization remains competitive and has comparative advantage over its competitors in the market. Hence, the study advocates the institutionalization of strategic management of human resources in organizations to enhance competitive advantage, productivity, quality and service delivery.

Key words: strategic, strategy, human resources, management, organization.

I. INTRODUCTION

Since the early 1980s when human resource management arrived on the managerial scheme, there has been considerable controversy about its nature, process and value to organizations. From the seminal works stemming from the Chicago school and the matching model of human resources management, the prominence has been very much concerned with strategic roles of human resources in the organizations. The mounting changes in operational milieu of organizations in a global competitive human race has shifted stress to strategic human resources management which is concerned with an overall and coherent long term planning and short term management, control and monitoring of an organization's human resources so as to gain from them

utmost added value and best position them to accomplish the organization's corporate goals and mission.

Thus, strategic human resource management is a desideratum for all types of organizations: that is private or public, local or foreign, small, medium and large. The only distinction lies on the nature, process, method and scope of such strategies employed in the various categories of establishments. The strategy an organization adopts depends on its goals and objectives. The organization's strategy is its proposition on how to compete effectively in order to continue to exist and grow in competitive setting. Strategic decisions relate to employing wherewithal in such a manner that the establishment can outperform its competitors. Organizations in competitive market seek to attain and keep up a competitive advantage by delivery high-quality products and services to their customers in a way that competitors cannot emulate. The attainment of these goals has much to do with having the right people in the right place at the right time. This development embraces strategic thinking which defines organizational strategy and allocation of resources toward its achievement as well as strategic human resource management that focuses on the use of employees to gain and keep up a competitive advantage. The study therefore explored the nature, process and rationale for strategic human resources management in organizations with a view to highlighting the core relevance of strategic management of human resource in productive enterprises.

II. RESEARCH PROBLEM

Notwithstanding the fact that strategic management of human resources is considered critical to the achievement of employees' and organizational goals, some human resources managers either consider it as extra production cost to organizations or a cumbersome process that is energy consuming. Such managers give little or no attention to strategic decisions on management of human resources especially via talent acquisition, talent development, talent deployment and rewarding. Besides, some managers of human resources who appreciate the vital role of strategic management of human resources are not conversant with the processes and techniques involved for enhance productivity. It

is against this background that this paper attempts to systematically explore the nature, process and rationales of strategic human resources management.

III. SIGNIFICANCE OF THE STUDY

Theoretically, the study provides human resources students and scholars with information that will be relevant in further researches by widening the frontier of knowledge on the hypothetical underpinning of strategic human resources management. Practically, it offers a useful guide to human resources managers who want to embark on evolution and execution of effective human resource management strategies for accomplishment of employees' and organizational goals. It also exposes human resources managers to the essential of strategic decisions on management of human resources with a view to encouraging them to consider strategic management as critical cum integral part of organizational growth strategy.

IV. METHODOLOGY

The methodology for the study is qualitative and descriptive. Materials for the study were generated through secondary and primary sources. The secondary source involved eliciting relevant information on strategic human resources management provided by scholars and experts in human resources management in diverse books, journals, internet materials, and periodicals. The information gathered from secondary source was supplemented with responses from structured oral interview granted to some select human resources management officials and workers in 20 business establishments in Nigeria. A total of 30 respondents were interviewed and that comprised 20 human resources managers and 10 workers that were purposively sampled. Purposive sampling was employed to ensure that those selected are people with rich knowledge on subject of the research. The interview questions (instrument) were validated by three experts: one from department of Public Administration and two from human resources unit. These experts certified that the instrument actually measured what it intends to measure and as such could be used for the research. To test the reliability of the instrument, pilot tests were carried out using five randomly selected persons from five establishments. The data from the pilot tests were analyzed using Pearson Product Moment Correlation and the correlation value(r) which stands at 0.94 confirmed the reliability of the instrument. The data generated through the primary and secondary sources were contextually and descriptively analyzed.

V. THEORETICAL FRAME WORK

The theoretical frame work that guides the analysis of the study is strategic human resources management model which attempts to explicate the process and necessity for strategic decision and management of human resources to both employees and organization. The theory views strategic management of human resources as essential rational process and prerequisites for enhance productivity as well as accomplishment of workers' and organizational objectives.

An effective strategic management policy involves coherent steps which ensure that the objectives of the policy are attained at minimal cost. The theory posits that it is strategic for workers' and organizational objectives to be considered and integrated into organizations' development strategies. This ensures that the organization remains competitive and has comparative advantage over its competitors in the market. Thus, strategic human resources management is a desideratum for improved organizational competitiveness and comparative advantage in a global competitive market.

VI. CONCEPTUAL CLARIFICATIONS

Human resources management is a multi disciplinary organizational function that draws theories and ideas from various fields such as management, psychology, sociology and economics. There are countless definitions of what Human resource management is or should be and there is not one definition that defines what Human resource management exactly is. According to Graham (1978) the *raison d'être* of human resource management is to guarantee that employees of an organization are used in such a manner that the employer obtains the utmost possible advantage from their abilities and the employees obtain both material and psychological recompense from their work. Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic exploitation of an exceedingly committed and accomplished workforce, using an assortment of cultural, structural and personnel techniques. Bratton and Gold (2007) defined human resources management as a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programmes and practices. Human resources management is a managerial standpoint which stresses the need to establish an integrated series of personnel policies to support organizational strategy. It encompasses employing people, developing their resources, utilizing, maintaining and compensating their services in tune with job and organizational requirement with a view to contributing to the goals of the establishment, individual and the society.

Armstrong (2006) defines human resource management as a strategic, coherent and comprehensive approach to the management and development of the organization's human resources in which every aspect of that process is wholly integrated within the overall management of the organization. Human resource management is the design of formal systems in an organization to guarantee the effective exploit of human talent to accomplish organizational goals; it encompasses the set of organizational activities directed at attracting, developing and maintaining effective and valuable workforce. In fact, human resources management is a management function that helps managers to recruit, select, train and develops members for an organization for optimal

performance. It is a series of integrated decisions that structure the employment relationship and the quality contributes to the capability of the organizations and the employees to reach their objectives. Human resources management as professed by Decenzo and Robbins (1989) is concerned with the people dimension in management. It is the planning, organizing, directing and controlling the procurement, improvement, recompense, integration, maintenance and severance of human resources to the end that individual, organizational and social objectives are accomplished.

Although there is no consensus on the definition or features of human resources management, it can be deduced from the above definitions that human resource management is an integration of people oriented management practice that views employees as assets, not costs and its focal aim is to generate and sustain a skilled and committed work force to gain competitive advantage. For Senyucel (2009) human resources cannot be defined in isolation but it has to be defined according to its political, economic and social milieu. The differentiation in meaning attached to human resources management has led to the surfacing of two unlike schools of thought: soft and hard variant of human resources management. Soft human resources management model focuses on employee training, development, commitment and participation. The soft variant of human resources management is used to define human resource functions aimed to develop motivation, quality and commitment of employees. Hard human resource management model concentrates principally on strategy where human resources are used to achieve organizational goals. It is also identified with cost control and head count strategies especially in business processes like downsizing, lowering the wages, shortening comfort break (Beardwell and Clydon, 2007). In spite of the distinction, human resources management involves element of soft and hard practice. For illustration, the issue of employee morale and motivation cannot be isolated when planning cost reduction through lowering wages.

Although human resources management has its root in the philosophy of personnel management, there are critical distinctions between the two. Personnel management regards workers as cost and aims to minimize cost and increase productivity, while human resources management sees workers as human resources and its primary aim is to improve, develop and retain these resources. Personnel management considers the man as economic man who works for money or salary while human resources management treats the people as human beings having economic, social and psychological needs. Besides, personnel management has its root in industrial relations where the focus is on managing consensus; personnel managers play a third party role, seeking agreement between management and employee negotiations. Human resources management pursues long term agenda which focus on employee development which includes the management of managers (storey, 2001) while personnel

management focus on immediate concerns and has a more administrative role. Personnel management has short term agenda and it is mainly line managers' duty. Personnel management functions on reactionary basis; it follows a set of laid down rules and regulation that stipulates what should be done in the event of an employee having a problem. Human resource management on its part is a strategic function where recruitment, selection, the welfare of employees, their training, development and retention is premeditated and the most successful ways of putting these ideas into practice are designed in alignment with organizations strategic goals.

Strategic human resources management has attracted the attention of many scholars in human resource management concepts. The strategy an organization adopts determines the number, nature and capabilities of people needed in the establishment. Mathis and Jackson (2010) conceive strategy as an organization proposition on how to vie successfully and thereby survive and grow. It is a way of doing things and usually embraces the formulation of a goal and set of action plans for accomplishment of the goal. The concept of strategy is not new and originated from the Greek term *strategia* which means the art or science of being a general. Thus, strategic management may be regarded as the method of formulating, implementing and evaluating business strategies to reach organizational objectives. Harvey (1988) considered strategic management as that set of managerial decisions and actions that determine the long term performance of a corporation. It includes environmental scanning, strategy formulation, strategy implementation and evaluation and control. The study of strategic management focuses on monitoring and evaluating environmental opportunities and threats in the light of a corporation's strengths and weakness. As a plan of action, strategy is designed by senior management to achieve a favorable position in the competitive environment. Mathis and Jackson (2010) refer to strategic human resources management as the use of human resource management practice to gain or keep a competitive advantage; while Tyson (1995) defined human resource strategy as the open and hidden agendas of the organization for managing its employees, to achieve its long-term aims and objective. Strategic human resources management covers the human resources strategies adopted by the organization and tries to control its impact on performance. Talent acquisition, talent development, talent deployment and rewarding talent are all strategic human resources management approaches that can impact on the organizational ability to achieve its strategic objectives (Gonzalez and Sheridan 2008).

Strategic human resources deals with the contributions that human resource strategies make to achieving organizational effectiveness and competitive advantage and how these human resource contributions are achieved. Thus, human resource ought to be involved in executing strategies that affect and are influenced by people. A key element of strategic human resource management is to design processes in the organization that assist individual workers to align with

the organizational strategic goals. An employee that comprehends the priorities of the establishment can make better input by applying their skills to promote the strategic goals of the establishment. Such employee can make decisions that enhance the objective of the organization. Human resources management practices that facilitate this, according to Boswell (2006) include talent development and reward systems that channel employees' efforts towards the organizational bottom-line. Strategic human resources focus on executing strategic change and growing the skill base of the organization to guarantee that the organization can successfully compete in future. Strategic human resources therefore facilitate the evolution of a human capital that meets the requirements of competitive business strategy so that organizational goals and mission will be actualized.

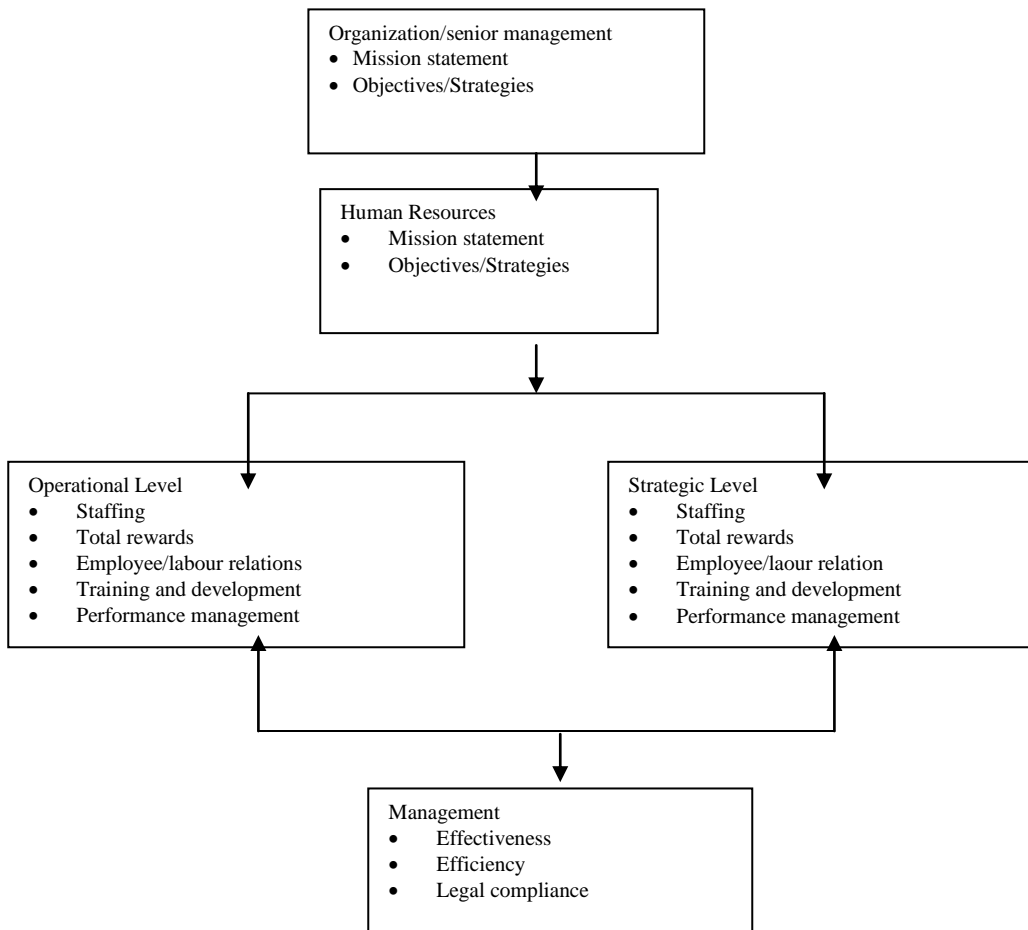
Figure 1: Traditional HR versus Strategic HR

FOCUS	TRADITIONAL HR	STRATEGIC HR
View of organization	<ul style="list-style-type: none"> • Micro • Narrow skill application 	<ul style="list-style-type: none"> • Macro • Broad skill acquisition

Critical skills	<ul style="list-style-type: none"> • Organization • Administration • Compliance • Transactional • Tactical 	<ul style="list-style-type: none"> • Strategic • Planning • Diagnostic • Analytical (metrics) • Consultative
View of employees	<ul style="list-style-type: none"> • Head count • Cost-based • Exploitable resource 	<ul style="list-style-type: none"> • Contributors • Assets-based • Critical resource
Planning outlook	<ul style="list-style-type: none"> • Short term • Low risk • Traditional: utilizes tried and true approaches 	<ul style="list-style-type: none"> • Long term • High risk • Experimental: tries novel approaches
HR system and practices	<ul style="list-style-type: none"> • Routine, traditional • Reactive • Responds to stated needs 	<ul style="list-style-type: none"> • Adaptive, innovative • Anticipatory, proactive • Recognizes unstated needs
Education and training	<ul style="list-style-type: none"> • Traditional HRM generalists and specialist • Other specialties 	<ul style="list-style-type: none"> • Business acumen • Competitive HR body of knowledge • Organizational development

Source: Mathis and Jackson (2010:40)

Figure 2: Strategic Human Resources management Working Model



Source: William (2009) cited in Mathis and Jackson (2010:42)

VII. HUMAN RESOURCE MANAGEMENT THEORIES: A SYNOPSIS

Human resources management principles and techniques for people management in competitive organizations are derived from themes existing in different field of studies. In this section, the study briefly reviewed some of the theories associated with human resources management.

Organizational Learning Theory:

Globalization has drastically enlarged the spread of knowledge. Today, the world economy is knowledge-based and scientifically driven. Thus, globalization has changed information monopoly because knowledge generated in one part of the globe quickly spread to other part of the world. Hence, the world has become a global community. Organizational learning theory emphasizes the aptitude of an organization in competitive setting to learn from emerging knowledge and adapt the learning to suit the organizational setting faster than other enterprises. Agyris and Schoen (1978) and Senge (1992) have underscored the essence of complete organizational learning whereby individual and groups gather knowledge associated with their job and the milieu and share with common vision, models and strategies for addressing the present and future of the organization. Consequently, poor organizational learning, based on the premise of this theory leads to poor organizational adjustment to the environment, less competitiveness which in the end causes a decline and eventual collapse.

Resource Dependency Theory:

In the 1970s during the epoch of economic recessions, one of the challenges encountered by managers in organizations was how organization could best obtain limited resource and efficiently employ them so as to remain competitive in the market. Thus, in many organizations, the area of concern was the aptitude to use their own resources and obtain more from the outer environment. Resource dependency theory assumes that the more organizations are proficient to harness resources, the more competitive they are. The theory considers resources (financial, technological, and labour), as the foremost component and essence of organizational strength. Nevertheless, Pfeffer and Solansik (1978) maintain that excessive dependence on outside resources seems too perilous because of the uncertainties that cannot be brought under control by the organizations. As regards useful labour, the focus of the theory is on viewing employees as scant resources that have to be acquired effectively, utilized, developed and retained.

General System Theory:

The continued existence of organizations depends considerably on their interaction with it social, economic, political, cultural, legal and technological milieu. Through interface with the surroundings, organizations get input, process the input and release the output to the external environment which sends response to organization. The users

of the organization's products or services who are part of the setting will therefore give feedback via diverse channels including value judgment on quality price, style and fashion. Therefore, based on general systems theory, organizations are viewed as system with components and parts that are correlated and interconnected in such a way that breakdown of a component or part leads to failure of another. The system theory sees human resource department as a constituent of the organization's system that has other units such as accounting, engineering, marketing etc. For an organization to develop and remain competitive, each department, unit or section must support each other through effective and healthy interaction. Human resource is one of the inputs an organization derives from the environment. Illustratively, if an organization commits error in its recruitment strategy, it will have an adverse influence on the entire organization. In the same way, if at the input processing stage, human resources are not effectively and efficiently employed, it will reflect in the standard, quality and price of goods and services through feedback mechanism. This may involve the inability to sell merchandise or services at the level of price anticipated.

Institutional Theory:

The term "institution" has been subjected to variety of interpretations by scholars based on their professional and academic orientation (Peters, 2000). Nevertheless, institution is a discipline that integrates politics, public administration, economics, law and psychology among other things, so as to explicate rationale for making certain decision or taking certain action and their effects on the organization.

Institution is a collective action in control, liberation and expansion of individual act. Collective action embraces fields such as law, procedure and custom. The primary aim of collective action is less or greater control of the acts of individuals, which result in either gains or losses in the process of executing joint transaction. Control is about stoppage of certain actions in such a manner that the control of one person or organization leads to freedom of other and better gains. These institutions set up relationships of rights, duties, no right, and no duties which affect behaviour of individuals. The crucial task of institution is to lessen uncertainty by instituting a firm structure of human association. Formal institutions have lucid rules, contracts, laws and rights while informal institution in the form of social conventions are not designed by any person. Institution theory, advocates that organization should established proper institutional framework that will unite and affect the behaviour of works towards and organizational commitment to excellence. In the words of Brunsson (1999) the process of standardization of procedure affects behaviour. Consequently, employment pact, performance pact and other employment related laws should be viewed as valuable aspect of human resource management.

Organizational change theory :

Organizational change is the process by which organizations move from their present circumstances to some desired future status to increase their effectiveness (Gareth, 2009). Organization changes in reaction to changes in the interior and exterior environment such as law, customer taste, technology, population fashion and choices that shape the attitude and behaviour of people. Development and changes in the environment considerably shape various facets of human resources management. Organization, therefore, have to respond to the manner organizational structure, job design, recruitment, utilization, development, reward and retention are managed. This theory advocates the improvement of organizational change and performance by using diagnostic tools suitable for the development of effective change strategy in human resources management.

Organization life cycle theory:

Organization life cycle theory is concerned with organizational development from formation, growth, maturity, decline and death. Organization life cycle theory considers the nature of employees or labour force as the driving force in the stages of organizational development. The theory stipulates that organization, at the stage of maturity, cannot continue to grow or survive if there is no organizational structure that supports human resources, inventiveness, innovation, team work and high performance which hold out competitors' pressure.

Transaction cost theory:

The argument of this theory hinges on the economic perspective of the cost of executing business transactions. The theory posits that firms will grow if the cost of exchanging resources in the firms is cheaper in comparison to other competing firms. Therefore, company should play down any employment related matter that increase cost of exchange. The costs include bureaucratic execution structures, procedures and the execution of employment agreement.

Role behaviour theory: This theory attempt to explicate and forecast the behaviour of individuals and teams in organizations which, in turn, inform managers for the sake of decision taking, and what procedures they take on management of employee as well as the anticipated effects. The key idea is on the necessity to enhance working environment including the resource so as to encourage new behaviour in workers for the purpose of coping with new demands. This includes the use of reward to influence and enhance positive work attitude and behaviour and punishments to tame adverse behaviour .

Comparative Advantage theory:

David Ricardo, a renowned orthodox economist, is the key proponent of comparative advantages theory. Ricardo discussed specialization and division of labour among nations and firms. He posits that nation should engage in production

of commodity in which it has domestic comparative advantage over others. In other words, nation should produce goods in which it has the highest comparative cost advantage; that is those goods it can create at the cheapest rate. Since Ricardo's postulation, organizations and nations have fixed attention on strengthening internal facility so as to have more advantages in relation to competitors and consequently to curtail production and distribution costs per unit. Improving internal capacities take account of having the best human resources who are best utilized to make cheaper and better quality merchandise and services.

Strategic contingency theory:

Organization operates and thrives in a complex background and thus managers must adopt specific strategies that will enhance benefit and reduce risk from the environment (Scott 1992). Strategic contingency theory premised on this assumption, argues that there is no one best strategy for managing people in organization. Accordingly, the overall corporate strategy and information from the setting will determine the optimal strategies, objectives, policies, activities and task in human resource management.

Human capital theory:

Human capital theory emphasizes the role of education and training as a source of capital. The theory was originally developed by Becker (1964). Robert (1991) widely acknowledged that high investment in human capital is one of the central reasons for rapid economic development in Asian countries in the 1970s and 80s. This theory has reversed the notion that training and development are cost that organization should endeavour to trim down into the notion that training and development are returnable investment which should be integrated into organizational investment capital. Hence, human resource training and development decision and appraisal should be based on explicitly developed capital investment models.

VIII. APPROACHES TO STRATEGY MAKING PROCESS

Strategic human resource management, at least in principle rather than perhaps in practice, stress more on associating human resource management with the strategic management of the organization as opposed to what happens in a human resource department. In essence, strategic human resource management is more proactive aspect of human resource management. Below are some distinctive approaches to strategy making in human resources management in organizations

The Evolutionary Approach: This approach to strategy making suggests that strategy is made via an informal evolutionary process in which managers rely less upon top managers to plan and act reasonably and more upon the market to gain profit maximization (Golding, 2004). According to Whittington, (2001) the evolutionary approach has a linkage with natural law of the jungle. Henderson (1989) contends that Darwin is perhaps a better compass to business

competition than economist is. He acknowledged that markets are seldomly static and indeed associated competition to a process of natural selection, where only the fittest survive. Darwin observed that there is recurrent struggle among species and this struggle leads to death of the feeble ones. The proponents of this theory maintain that markets, not managers select the prevailing strategies. They assume that markets are too competitive for “expensive strategizing and too unpredictable to outguess” (Whittington, 2001). Evolutionarists do not subscribe to rational planning modes that examine the environment so as to choose the most suitable strategy and then to find out and plan structural, product and services dynamics to meet market requirement. They assume that sophisticated strategies can only achieve temporary gain and some suggest focusing rather on efficiency and managing the transaction cost.

The Classical or Rational Planning Approach : This approach suggests that strategy is formulated via a formal and coherent decision making procedures. Chandler (1962), a proponent of rational planning approach, view strategy as the determination of the fundamental, long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for those goals. The main steps of rational decision strategy making process emphasizes: first a comprehensive examination of the inner and outside environment, which then enables an organizations to analyze and choose from a range of strategic choices, which in turn form plans to be made to execute the strategy. The classical approach considers profit making as the key and only goal of a business transaction and this can only be realized through rational-planning. The common element in successful strategies as identified by Grant (2002) is: clear goals, profound understanding of the competitive background; objective appraisal of resource; and effective implementation. The classical approach perspective considers strategies at three levels: corporate; business and operational. The corporate level of strategy links the overall scope of the organization, structure, financing and distribution of key resources. The business level is concerned with competitive positioning in market, product and service while the operational level deals with the methods employed by the various functions: marketing, finance production and as well human resource to achieve the aims of the higher-level strategies. Classical approach pays attention to strategic analysis which entails the analysis of the outdoor and domestic environment of an organization and identification of its main source of competitive advantage, which will then enable the manager to know and appraise the variety of strategic choice available to the organization.

Systematic Approach: According to Whittington (1993), the systemic approach suggests that strategy is formed by the social system within which it exists. In other words, strategic choices are formed by the cultural and institutional interest of the larger society. A key theme of this approach is that decision makers are not detached calculating individuals

interacting in pure economic transaction but are members of a community embedded in a deeply interwoven social system. Thus, in practice organizations and their members are entrenched in a network of social interactions. Organization, base on this approach, differs according to the socio-economic system in which they operate.

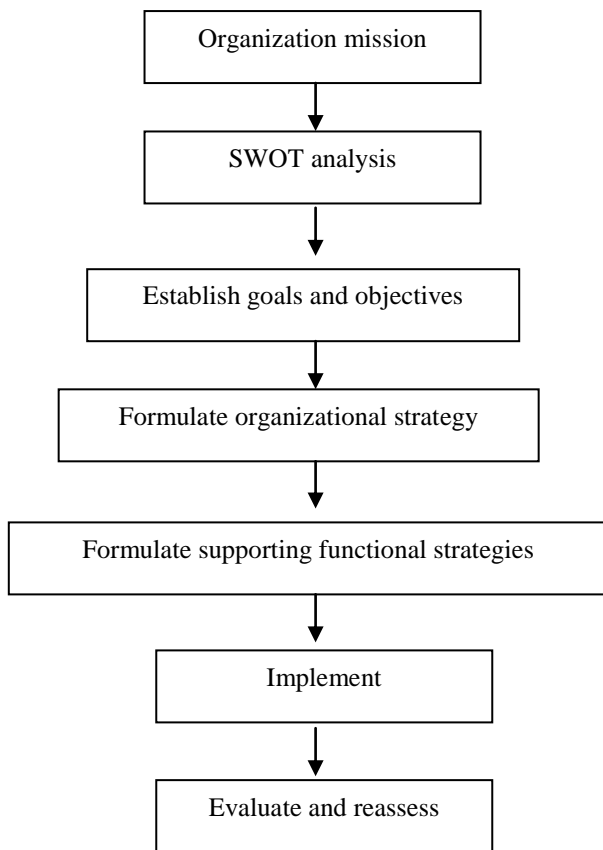
Processual Approach: The root of this school of thought can be traced to the study of the American Carnegie School (Whittington 2001). Whittington’s processual approach identifies organization and market as close, tangled phenomena, from which strategies materialize with much confusion and in small steps. The processual advocates identified two essential ideas: first, the cognitive limitation of human action; and secondly, that human beings are influenced by “bounded rationality” (Simon, 1947). Consequently, no individual has perfect knowledge and answers to complex and difficult problems and as such will have to act without knowing everything that should be known. Thus, strategic human resource managers should take cognizance of complexity and uncertainty. This approach noted the inherent competitive and opposition goals present within organizations, and the effect this can have on strategy implementation.

IX. STRATEGIC PLANNING

Strategic planning is the process of defining an organizational strategy, or direction and making decisions on allocating the resources of the organization (capital and people) to pursue this strategy (Mathis and Jackson, 2010). Strategic planning processes consist of different chronological steps that center on the future of the organization. The plan provides a compass that gives the organization direction and aligns resources.

In strategy formulation, the driving force in strategic planning process is the mission of the establishment of the organization and what makes the organization peculiar. The mission statement is normally determined by the leaders and founders of the organization and set the general guide for the organization. The planning process commences with an evaluation of the present state of the organization and the environmental factors that may be relevant during the planning period. Analysis of the strengths, weakness, opportunities and threat (SWOT) is a normal commencement point because it permits managers to examine both in-house and outside circumstances. The analysis helps managers to form a strategic plan that take into consideration the ability of the establishment to deal with circumstance on ground (Thomas and Bernadette, 2007). The planning process is an ongoing cycle with managers incessantly monitoring and reacting to changes in the setting and competitive situations. Managers determined the objectives for the planning cycle and formulate organizational level strategies to achieve those objectives. Each function within the establishment then formulates strategies that will link to and support the organization level strategies. The strategic plan is assessed occasionally because circumstance may vary and manager must act in response to the ever-changing environment.

Figure 3: Organizational Strategic Planning Process



Source: NetMBA, [h/p.www.netmba.com](http://www.netmba.com)

X. ESSENTIAL ATTRIBUTES AND TENETS OF STRATEGIC HRM

Human resource model that attempt to capture essential features of strategic human management has been developed by scholars. This model as captured by Itika (2011) depicts ten key tenets of strategic people's management and what managers and employees should have on ground and should do so as to thrive in competitive business environment. These essential attributes and tenets are:

Making Strategic Value Choice: Although there are various strategic variable or elements of human resource management that have to be instituted in system, managers should pay more attention to the most worthy aspects depending on the organizational strategy. An organization that promotes creativity and innovation will adopt and reward workers behaviour that shows risk engaging initiatives. Therefore, human resource managers should make decisions and choose systems, processes, programmes or activities with the most strategic values for the individuals, teams and organization.

Strategic Integration: Integration is not only desirable but also crucial to make certain that human resources management decisions are not made for their own sake. Organization's strategy, objectives and activities should be related to human

resource management policies and procedures so that performance can be assessed based on the extent of strategic fit between organizational strategies and human resources strategies.

Effective Communication: challenges encounter in management of people in organization may be caused by poor communication. Effective communication exists when a message is received and comprehended in the manner as the sender expected it. It requires the cautious organization of ideas, assessment of the appropriate channel of transmission and the nature of the receiver. Strategic human resource management values the role of communication as a critical instrument in every day human resources management. Strategic human resource management should promote open network of communication that build trust and mutual understanding. The channel of communication should as well help the employee to learn and practice organization's vision, mission statement, care value, policies objective and activities. Regular interaction and meeting with the top management department and team meeting offers the best avenue for effective communication system. Other channels include close relationship between staff and supervisors, billboards, brochures and instruction manuals. Informal communication is very essential in transmitting information if the risk of gossips and rumour is to be controlled.

Creativity and Innovation: Strategic human resource management requires that management and workers work together and initiate novel ideas that can be practiced so that new business advantages can be established. As regards workers' management, creativity and innovation are necessary in aspects such as pay schemes that are internally just and externally competitive, job enrichment, job enlargement, leadership, building, retaining and better employment arrangement.

Emphasis on Management of support staff: Strategic human resource challenges managers to support employee via variety of techniques to guarantee that the employee's can have a deep sense of belonging; enjoyment from the job, gain confidence in the management, identify with the organization and feel the ownership. Some of the approaches adopt by managers to support the members of staff and make them feel proud of the organization and work include information interaction, coaching and mentoring, open door policy, attractive employee welfare scheme.

Flexibility and Adaptation: Business environment is in steady change. The capacity of an organization to react to the capricious and fast changing environment is critical to its success. Managers adopt some strategies to improve an organization's capability to cope with environmental pressure. Some of these techniques, according to Itika (2011) are flexible but robust rules and regulations, flatter organization structures, preference for a multi-skilled workforce and use of convertible production technologies.

Employees as Most Valuable: The survival and success of any organization is considerably dependent on having the right human resources because human resource is an essential factor in achieving a competitive advantage. Human resource has to be developed via key elements of motivation package such as coaching, training, nurturing, care, love, respect and encouragement. The extent to which an organization focuses on employee development depends on the organization's life cycle. As a result of the priceless nature of human resources, there is need that human resource function should not be restricted to personnel department but should be spread to all functional departments in the organization with human resource manager being a team leader. Maximal utilization of human resource entails that there should be deployment of right numbers and skills at the right place at the right time.

Decentralization for Empowerment: Decentralization of decision-making and problem solving at the lowest possible in the organizational hierarchy is central for strategic human resources management. Decentralization ensures that decisions are made at the very source of activity. Operational staff and teams should be empowered with authority; power and motivation to take suitable decision at all level because they are the public face of the organization. Decentralization quickens the rate of making decision and satisfaction of customers' needs.

Strengthening Management and Employees Commitment: Employee commitment at all strata of organizational hierarchy and structure lies on the idea, belief and attitude of the workers and management towards each other. Unfavourable attitude and perception between the management and employee towards each other breeds low morale and indifference in both the job and the organization. A worker who feels that management does not show concern for their legitimate demand; tend to demonstrate low level of commitment to work and organizational goals. Besides, if the management views a worker as a low performer and too demanding, the management tends to show less commitment to supporting the worker. Since strategic human resource management, at least in principle, is a function of top management in organization, any symptom of low employee commitment is a consequence of poor handling of human resources management matters at the top-level management. There are different strategies of achieving workers commitment to work and organization. Some of them are organizational anthem, slogan, dressing or informal gatherings such as cock-tail parties. Besides, commitment can be elicited from workers through participation of the worker in the organizational affairs via contribution of ideas, motivation through encouragement, rewarding individuals and groups' efforts in accomplishing task etc.

Obsession with Quality: In the words of total quality management, the customer is always right and quality is seen in the eyes of customers. Production of best quality goods and provision of best quality services in the eyes of the customers, when compared to other competitors, demands that

organization should have workers that are oriented and motivated towards excellence in quality products and services. The strategies that help in building and sustaining quality culture in organizations include use of quality circles, careful recruitment and selection of staff; appropriate training and development programme as well as performance management systems that reward employees in accordance with contributions.

XI. INTEGRATING ORGANIZATIONAL STRATEGY WITH HUMAN RESOURCES STRATEGY

Strategy is a plan or pattern that integrates an organization's primary goals, policies and action into cohesive whole. Bhatia (2007) looks at strategy as a statement of the route in which an organization wants to go and what it wants to turn out to be. Strategic decisions are decisions that shape the general trend of the organization. It is a process through which the deep-seated mission and objectives of the organization are set and the process through which the organization utilizes its resources to realize its objectives. Miller (1989) relates strategy to competitive advantage. He conceived strategy as encompassing those decisions and actions that concern the management of workers at all levels in the organization and that are channeled towards creating and maintaining a competitive advantage. Human resource strategies like production, financial, marketing etc should be incorporated into business strategy so as to set up operational linkages. Green, Whitten and Bedlin (2006) while evaluating the impact of human resource management on organizational performance conclude that the organization that aligns vertically and integrate human resource functions and practice horizontally, perform better and produce workers that are more committed and satisfied than in the case with the organization which do the contrary. Vertical alignment is the alignment of human resource practices to the business context so as to give support to particular business objectives. The features of vertical alignment include: the top management is integrating human resource plans, requirements and activities during the establishment of the organizational route; top level managers being trained to incorporate all level of the business management hierarchy and functional departments into the business decision making process; the human resource department being fully incorporated into the strategic planning process. Horizontal integration, on the other hand, is the degree to which particular human resource practices are cautiously organized in a coherent and consistent way to support one another in the best way possible and to incorporate with other department. Horizontal integration is characterized by the followings: the human resource department labor hard to keep corporate partnership with individual managers; the human resource department habitually checks with other department to uncover organizational training requirements; the human resource department supports departmental manager in executing central and strategic human resource management functions as part of their core functions and activities. Thus, corporate

strategy must set the agenda for human resource strategy in the following important areas:

Mission: This involves setting the future of the organization. That is to say, what the organization likes to be, the purpose to serve and to what extent. Organization mission provides some indicators on the quality and quantity of employees that will be needed to effectively transform the functioning of the organization to that level. This will form the basis of human resource mission.

Organizational Culture: Organizational culture has different interpretations. Hand (1993) sees organization culture as deep-seated beliefs, values, norms, attitudes about the way work should be organized, authority exercised, people managed, degree of information, obedience by subordinates, punctuality, adherence to rules and regulations etc. This framework is useful compass in the process of designing human resource policies, regulations, and procedures in order to shun feasible conflicts between the established organizational culture and people management at lower cadre.

Human resourcing: The process of human resource utilization will hinge on organization's strategy. If an organization wants new production lines in five years' time, there is need for new skills. Plans have to be designed including training and recruitment so that there are qualified employees of the right size to manage the new production.

Commitment: Commitment to an organization starts from the top management. The employee commitment to organization depends partly on their perception about the top management commitment. Workers have to observe, feel and deem that top management is committed to making the organization the best place for them to work. Organizational strategy has to demonstrate top management dedication so as to build favourable setting for human resources management practice.

Productivity: Productivity indicates how best resources are utilized in the business. Organizational strategy has to map out performance targets, standard and measurements. This will be basis for evolving strategies for getting the right skills, numbers and performance management as well as reward system.

Employee relations: The association between the employees and the management as well as the interaction among the workers hinges on organizations strategy. If an organization's future is not prosperous, it will surely influence the working relationships. Strategies should be developed to shun grievance and conflicts that might be damaging to the organization. Such strategies may include work-sharing arrangement, introducing work shifts, voluntary retirement, part-time job arrangement etc.

XII. BENEFITS CUM RATIONALE FOR STRATEGIC HUMAN RESOURCE MANAGEMENT

Strategic human resource management has been associated with pecuniary and non financial benefits to an organization.

One important task of strategic human resources management is about focusing the management in employees as a tool to gain competitive advantage. Strategic human resources management covers human resource strategy adopted by the organization and attempts to control its impact on performance. The speedy increase in globalization of business has engendered a strongly competitive environment where the only effective way to remain relevant in competition is to develop and improve the workforce through strategic management of human resources. For this reason, there is greater need for recruiting and retaining skilled workforce with multiple competencies. Enhancing employee commitment and loyalty to the organization are associated with performance and organizational excellence. Aswathappa (2002), with regard to relevance of strategic management, has identified that strategic management allows the identification, prioritization and exploitation of opportunities; provides an objective view of management problems ; represents a framework for improved harmonization and control of activities ; minimizes the effects of adverse conditions and changes; allows key decisions to better support for established objectives; allows more effective allotment of time and resources to identified opportunities; allows fewer resources and lesser time to be committed to correcting flawed or adhoc decisions; creates a framework for internal communication among personnel; helps to integrate the behavior of individual into a total effort; provides a basis for the illumination of individual responsibilities; gives encouragement to forward thinking; provides a co-operative, integrated and enthusiastic approach to tackling problems and opportunities; encourage a favorable attitude towards change ; give a degree of discipline and formality to the management of a business

Human resources management strategy creates the basis for regular dialogue and constant communication between management and the employees about performance need and further organizational development. Brewster, Dowling, Carey, Globler and Holland (2000) associate strategic human resource management with a number of contributions to the organizations. According to the scholars, strategic human resource management benefits organization in the following ways: contributing to the goal accomplishment and the survival of the company; supporting and successfully implementing business strategies of the company; creating and maintaining a competitive advantage for the company; improving the responsiveness and novelty potential of the company; increasing the number of practicable strategic options available to the company; improving collaboration between the HRM department and line managers.

Additionally, Itika (2011) has as well highlighted some rationales of strategic human resources management which can be summarized as follows:

It is an integral part of business strategy: Business strategy is a plan that demonstrates the direction of the organization. It integrates the organizational vision, mission, policies, goals

and objectives. Business strategy can be at the organization, department or business unit level. It is designed premised on the knowledge of the organizational environment including strengths, weakness, opportunities and threat. Since the organization will have diverse strategies including technological, capital, energy, marketing, finance etc, human resource strategy is one among different strategies but is more essential than others because of its human nature.

The link between business strategy and HRM: Any business strategy will have human implications which include number, qualifications, and working hours, training, pays, condition of work and so on. Bloisi, Cook and Hunsaker (2007) have pointed out that in order to launch a vigorous and effective strategic human resource function that will boost the individual and organizational needs as well as performance, human resource managers need to study the current state of work force, internal strength and weak spot, external opportunities and hazard, and the path. Human resource management at the strategic level provides a broader range of solutions to complex problems generated by the changing nature of work; employee diversity, changing customer need and globalization. Strategic human resource management is connected to the resource based view. Competitive advantage is only achievable via the creation and development of core competencies that are better than the rivals. Organization gain competitive advantage by adapting earlier to changes that occur in their environment and this entails planning long term organizational flexibility and innovation, which comes from human resource. Strategic human resource management manages and develops alongside the overall strategy to establish the best fit between the organization, its employees and environment. This involves aligning organizational goals and process with employee's needs and capabilities in a methodical manner. Doing this enables various training, development and learning opportunities to arise for the benefit of the workers. This is essential because, in return, organizations have higher probability to secure competitive advantage and there is strong tendency that the general organization performance and the bond between the workers and the organization will improve. Then the desirable and needed change must be planned as integral part of human resource strategies including training, layoffs in time, sub-contracting some jobs etc as the need arises.

Partnership between the management and employee: In strategic human resources management, the managers of human resources represent workers as a partner in business. Workers are partners in business because they have interest in the organization that demands the full collaboration of all parties so that organizational objectives, team objectives are achieved. A strategic human resource document is significant in finding out the roles of each partner in strategic business performance. The role of human resource strategy include shaping the mind-set of the management and staff; facilitating the process of decision making and action to be taken; working on human resource implications of specific strategic

decisions and establishing strategies for cost of reduction; defining opportunities for better capacity utilization, and creating future managers by nurturing endowment.

Generating Competitive advantage: A competitive advantage is created from the quality and number of organizational employees. Quality is assessed based on the level of proficiency while the employee size hinges on the needed workers, job ratio and number of working hours. Human resource strategy is an instrument employed in helping the organizational process of achieving competitive advantage by recruiting the most excellent people, utilizing the finest labour in the most effective way and putting the motivation in place that can keep hold of the most excellent people and develop them.

XIII. CONCLUSION

Increasing changes stemming from globalization, information and communication technology, limited resource and competition have engendered keen interest of scholars in strategic human resource management. Human resource is the life blood of organization because every other organizational resource depends on it for effective utilization and management. The strategies an organization adopts determine the number, nature and capacities of people needed in the organization. Therefore, integrating organizational strategy into human resource strategy is critical in realizing the objective and goals of employees and organization. Besides giving an organization a competitive advantage over other competitors, strategic human resource management enhances cooperation between management and employees; enhance productivity, promote employee's commitment, quality and service delivery. Accordingly, for an organization to survival in a competitive market, strategic human resources management is indispensable.

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