

# Strategic role of human resources management

[Business](#), [Human Resources](#)



“ A shift on thinking in Strategic Management about the location of sources of competitive advantage has put the spot light on human resources as the strategic resources in a firm. ” (Dr. Martin Wielemaker and Dr. Doug flint 2005) Initially attempts were made to search the availability of the sources of competitive advantages outside the environment of the firm. Later on it was found that the efficient sources of competitive strength were to be looked for only inside the organizations themselves, which have the distinct advantage of non-imitable nature.

It was also perceived that such resources, capabilities and competencies were located in the minds of the people and hence human resources are deemed imminent and worthy. This paradigm of change in the thinking towards strategic management has provided the human resources a lead role from that of a supportive role earlier it was occupying. The Supportive and Strategic role of Human Resources and the HRM functions is clearly exhibited by the following figure:

“ Human resources may either support a firm’s processes or may constitute strategic resources that allow firm to achieve competitive advantage. Such a shift in the status of human resources is represented by arrow ‘ 2’ in the figure. Similarly the HRM function may either support a firm’s human resources by selecting, training, and retaining them or it can theoretically represent an HRM capability that gives the firm a competitive advantage over others. Such a shift in the HRM status is represented by arrow ‘ 3’ in the figure. ” (Dr. Martin Wielemaker and Dr. Doug flint 2005)

An early model of HRM developed by Fomburun et al (1984), introduced the concept of Strategic Human Resources Management (SHRM) by which HRM policies are inextricably linked to the “ formulation and implementation of strategic corporate and/or business objectives”. Comprehensive assessment and evaluation of the organization on the needs of its human resources will effectively help in selecting appropriate methods or human resource strategies. Although human resource policies, such as rewards system and communications system, are of great value, compensation package may directly or indirectly affect the workforces’ performance.

When it is true that reward system helps positively by increasing the morale of the employees, appropriate compensation package for employees may yield tremendous change in one’s performance and attitude towards work. HRM strategies cannot be standardized. There is no known universal strategy being used by organizations. This is mainly due to the fact that selection and implementation of specific HRM strategy is still based on the vision, priority and geography of an organization.

Culture and tradition usually dictates what specific strategy would an organization to adopt, hence standardization may take sometime before it can be realized. It is but too risky to adopt a strategy without proper considerations. STRATEGIC HRM IN THE MIDDLE EAST ENVIRONMENT: Take for example the HRM strategies not only in our company but the general strategies commonly used in the Middle East - competitive compensation package, rewards system, annual performance appraisal, and utilization of the Internet etc.

These may be considered appropriate in our region but these strategies may or may not be used by other organizations in other regions or elsewhere in the world mainly due to the unavailability of resources, lack of initiative and empowerment of the organization to implement such policies and lack of proper training and continuous education to disseminate newer and more effective strategies in an organization. In a fast-paced and ever changing society, HRM in our region should keep up with changes and be flexible enough to discover innovative and enhanced HRM strategies through, training, formal education and technological developments.

The existence of a culture—shared norms, beliefs or values of the members of an organization also determines what HRM strategy is appropriate. As a rising organization in the Middle East, it has been helpful that our employee workgroup shares the same beliefs and tradition. Although there are minorities present in our company, a certain culture based on the majority's belief still exists. Our organization culture fosters respect and high regards for the employees that encourages them to participate in decision-making thus creating autonomy and better work performance.

Our company does not tolerate harsh or uncaring treatment by the management to our most important resource—our human resources. In line with this, our company has long formulated and implemented various HR policies that serve as an important tool in increasing the morale and self-esteem of the employees. These policies are continuously enhanced and improved to better suit the needs of the employees.

**HUMAN RESOURCES DEVELOPMENT A TOOL OF HRM**

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Human Resource Development (HRD) coined by Len Nadler, 1970 provided an umbrella term that unified the three-fold concept: training, education and development.

The term provided a direction and a goal for the field while opening the possibility of future studies on this field. This three-fold concept is a noteworthy basis that can result to improved organizational performance if given extra attention. HRD also focuses on improving the work-related knowledge, skills and capability of the people. It sees employees working as individuals with the ability to work as teams for the organizations towards its vision and mission (Smith, 2004). The capacity of an organization to produce positive and improved outcomes depends upon the working attitude of its employee group—so to speak, the “ human” resources.

The employee group can either resist or adapt to change. They can be a hindrance or a bridge to connect the present and the future of HRD (Smith, 1986). There is, however, an existing literature that argues that HRD is initially designed to improve organization performance through learning-based strategies. It recognizes that the HRD practice should be quantified through its contributions to organizations contrary to the concept of HRD benefiting the individual (Johnston, 2001).

#### TECHINOLGY BASED HRD:

When speaking of development, one cannot deny its direct relationship to technology. Technological development plays a vital role for the future of HRD here and abroad. Technological development cannot be completely

understood without extracting the real essence of the term technology. Technology can be viewed as a process, as a product and as a mixture of both. Technology as a process is a systematic application of knowledge to practical tasks. However as a product, it refers to outcome of the applied knowledge. It is also a mixture of both in the sense that the two are actually interdependent.

“ Information technology advancements would be a good example for this noting that the hardware is always connected to the software and vice-versa “(Streumer et al, 1999). Technological development will have a major impact on the future trends of HRD. The advent of Internet and information technology trends has automated HRD practices. It has helped reduce workload of HRD practitioners thereby giving them ample time to develop better strategies for the organization.

#### RECRUITMENT, SELECTION, TRAINING AND DEVELOPMENT-PHASES OF HRD:

Training and education are also main points of HRD. Along with development, these two also determines trends that prove beneficial. For example, in-house or in-service training for employee groups in will help in updating the skill, work attitude and key competencies of the workers that in turn will produce better outcomes for the organization. Likewise, formal trainings outside an organization are also beneficial in the sense that organizations can keep up with the changing society through the execution of the learned knowledge by the workers (Blalock, 2004).