A paper submitted to Professor Dunlop by Aaron Goldblatt and Elizabeth Linehan in partial fulfillment of the requirements for Human Resource Management. (MGMT 466)

**Strategic Human Resource Management**

This essay provides an in depth analysis of strategic human resource management, a global perspective of human resources, and a cross functional view of strategic human resource management.

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As Corporate America continues to grow by the hour and the business world adapts to competing on a global playing field, companies are relying evermore on their Human Resources (HR) departments to be the glue to their organizations. In order for these underappreciated departments to rise up and conform to core functions such as sales, marketing, and accounting, the human resources department must adopt Strategic Human Resources Management (SHRM). However, there are many barriers to firms trying to execute SHRM. For example, companies need to narrow down their overall HR purpose into one, clear purpose, but these strategies must be cross-functional throughout all cultures and industries.

Strategic HR Management is not a practice that is used in all organizations, and in fact, most professionals have differing explanations of the process. First, human resources itself can be defined as the processes involved in maintaining an organizations human capital. Very simply, Strategic HR can then be defined as implementing an overarching strategy for HR that will reflect the mission, purpose, and values of the organization as a whole. HR professional and CEO of an HR development firm, Rana Sihna explains in his article “What is Strategic Human Resource Management” that an HR strategy should look at “business obstacles that occur outside of human resources. The primary actions…are to identify key HR areas where strategies can be implemented in the long run to improve the overall employee motivation and productivity.” In other words, an effective strategy in human resources will look at issues within the entire organization and attack them at the root by recruiting and motivating the best employees possible.

Strategic HR Management is not to be confused with Human Resource Strategies. These two terms are often used interchangeably but there is a difference in meaning between them. The aforementioned type of strategy in the above paragraph concerning organizational alignment
is considered an overarching strategy used to direct the entire HR operation. The second type of strategy, known as HR Strategy, will assign a separate strategy to each division of HR, such as recruiting or scheduling, that is in compliance with the overall SHRM.

Based on A Handbook of Human Resource Management Practice, by Michael Armstrong, there is certain criterion for effective SHRM. First and foremost, it must satisfy the overall business needs. Strategies, both overarching and specific, must be founded on research and data analysis rather than good ideas and “wishful thinking”. A company must also evaluate risks and problems anticipated in advance, and have contingency plans to circumvent those issues. Not only will HR need to satisfy the overall business needs, but also continue support for all other departments. With HR as the glue of the organization, an unsuccessful strategy could alienate them from other departments and ultimately lead the company astray. Lastly, any type of strategy has to meet the needs of all stakeholders- management, employees, shareholders and customers. According the Armstrong, following these guidelines while developing your HR strategies will create a highly effective HR function.

Whenever a company tries to transform its organization there will always be challenges. Some firms do not regard their HR department as highly as other core functions. Whether this mindset comes from the top, middle management, or at the lowest level of employees, an organization must address this issue at all levels before attempting to implement an HR strategy. All stakeholders must be aware and supportive of the importance of HR in overall organizational effectiveness, or else the strategy will not be carried out to its fullest potential. Reevaluating a company’s strategy on any level is extremely time-consuming. Many firms may end up reconsidering their approach as a whole when they attempt to brainstorm for an HR plan, tying up time and resources for months and potentially years. Next, organizations need to consider the
global economy the US operates within, and adapt any strategy to fit multiple cultures and industries. Even if a firm is not working in a global context, designing their strategy in a global mindset will alleviate any issues of having to reassess if expansion is in the future. Lastly, some individuals believe the stereotype that HR professionals are too “people-centered” to be making critical business decisions, and therefore cannot be considered on the same levels as sales, marketing, etc. A company must break this stereotype completely in order to proceed with execution of any new strategies. Every employee in the company must have faith in the HR department, or else the possibility for failure is very real (Sihna).

Another important aspect of human resource management is recruiting. It is important that a company have a clear recruiting strategy, that is, a good sense of how (and from where) they will attract talented professionals. In the recruiting stage of human resources, there are many different strategies that can be utilized. Companies may hire internal candidates, external candidates, interns, or temporary staffing employees. Another question that must be addressed is: What avenues will an organization explore to market existing employment opportunities? Is internet marketing the best approach? Or are there other methods worth considering. One thing is for sure. The recruiting process is vital to a company’s success and the recruiting strategy should be aligned with overall company goals and objectives.

The three main sources of recruiting are to hire internal candidates, external candidates, and alternate staffing candidates. Each of these options comes with their own distinct set of advantages, and many companies explore more than one of these recruitment sources. Internal candidates are those candidates that are already employed by the company. This candidate, whom the company knows well, shows him or herself to be a valuable worker and deserving of a promotion. This option gives companies the ability to have an “extended interview,” in a sense
because they have seen this individual over a long period of time. In addition, this strategy
creates an environment which can motivate employees to work hard for a potential future
promotion and may save the company training expenses. On the other hand, an external
candidate can bring a fresh perspective to a work environment and provide a larger talent pool
from which to select a future employee.

For some organizations, alternative staffing may be an appropriate recruitment strategy.
Alternate staffing is the hiring of personnel other than direct full time employment. This can be
through temporary job assignments or internships. This is a great strategy for a company to
employ if they need extra workers for only part of the year. This strategy also saves the company
time and money. It saves time because often temporary staffing agencies filter out unqualified
applicants, leaving hiring managers only to sort through a few, qualified individuals. In addition,
people who are hired for only a short period of time generally require a lower pay, and they do
not require many benefits that a full time employee would demand. Hiring an intern, one form of
temporary staffing, allows companies to explore young talent that has up to date knowledge and
skills and gives the companies the opportunity to develop the future of their organization.

Another important aspect of recruiting strategy is the use of the internet to attract
potential employees. The main method employers attempt to attract potential employees online is
through the use of online job boards. These job boards, like craigslist and monster.com are smart
choices for organizations because they are usually free to post job openings and they reach
massive audiences. Also, many job postings that companies post are linked directly to the
company’s web site. This is a great way to increase site traffic and help increase the public
awareness of the organization’s product / service. In addition, recruiting strategy must change to
adapt to the changing way that individuals interact. Today, this means social networking. Many
companies create Facebook and twitter pages for the purposes of keeping people up to date on the company’s status, which may include possible job openings. The professional networking site, LinkedIn allows company HR representatives to easily see prospective employee’s portfolio of work and accomplishments, as well as future career goals.

In a global economy, there are many factors that influence corporate human resource strategy. The legal landscape influences the strategy that human managers employ by either prohibiting or restricting the extent of the global impact of human resource management. One example of this would be The North American Free Trade Agreement (NAFTA). NAFTA creates special economic and trade relationships for the United States, Canada and Mexico. An individual can obtain a nonimmigrant NAFTA Professional visa, which would allow citizens of Canada and Mexico to work in the United States. The human resource implications to this are obvious: Organizations within United States would have a larger talent pool to select employees from, as well as the opportunity to develop international working relationships within North America.

Furthermore, Human Resource Strategy greatly differs among countries. HR Strategy is often indicative of what a culture values in terms of working relationships, education requirements, and measures of success. In the article, “Human Resource Management in the Global Perspective: Theory and Practice,” author Dr. Ukertor Gabriel Moti identifies four essential dimensions in HR Strategy that varies from one country to another. These, Dr. Moti writes, includes the focus on either the individual or the group, the extent to which different cultures accept different distributions of power within the society, and whether a nation has a tendency to prefer assertiveness or has a higher concern for relationships and the welfare of others.
These characteristics can be easily seen in a comparison between the environment in Japan and the United States. There are stark differences in terms of how the countries view success, make decisions, and appraise performance. In Japan, success is seen in terms of co-operative efforts and collective responsibility is stressed in business endeavors. On the contrast, the United States places a high level of individual responsibility and views success in terms of individual achievements. Furthermore, the different culture and economies between these nations influences the nature of the work environment. In the U.S., Career paths are much more specialized and present day Japan values long term working relationship. The increasing competition in the United States lends itself to many, short term working relationships.

In the article, “Human Resources Strategy: Focusing on Issues and Actions,” authors Randall Schuler and James Walker define Human Resource Strategy as “a set of processes and activities jointly shared by human resources and line managers to solve people-related business issues.” These processes are aimed at achieving the organizational goals of a company and include workforce planning, skills management, training and development, and recruiting (Moti). As globalization becomes an increasingly important part of the work environment, it is more important than ever that HR professionals carefully plan how the company will approach the processes. Human Resource Strategy is important to any company because it reflects the organizational mission and vision and is quintessential in developing the future of the company.
Works Cited


"RECRUITMENT SOURCES USED IN HUMAN RESOURCES MANAGEMENT."


