

# Need of Strategic Human Resource Development (SHRD) for Organizational Excellence.

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## *ABSTRACT*

SHRD can play crucial role in helping organizations to achieve change. SHRD has always been centric to organizations as today it has been taken on an even more centric in building an organization excellence. The impact of globalization is that it has modified the landscape of business organisations over the past two decades. SHRD must address new challenges involved with HRD practices because it is a wide array of activities that matters in term of employee's performance. The dynamic of change takes place one of the centric facts of any business where the role, function and process of SHRD must be redefined in the context of change. SHRD explains how to organize the transition smoothly, rapidly and successfully and make the organization competitive always. Organization in both public and private sectors require a critical group of positive factors concerning SHRD to successfully execute their organization strategies and goals. SHRD follows the policy and planning in parallel with the organization strategies for excellence. With the emergence of strategic management in modern organization, these are ever increasing need for strategically steering managerial practices into SHRD for organization excellence. The study shows that there is no doubt of improvement in the bottom line of organization. Better SHRD contributes much towards the organizational excellence at the top level of possibility.

**Keywords: SHRD, HR and Organizational Excellence, Implementation**

### **Introduction:**

Strategic Human Resource Development is a growing field of research that mainly aims to bring strategy for organizational excellence. Strategic Human Resource Development is formed within the organization to do about its human resource development policies and practices and these must be integrated with the business strategy. Dyer and Reeves (1995) have described it as 'internally consistent bundles of human resource practices'. Richardson and Thompson (1999) suggest that:

"A strategy, whether it is the HRD strategy or any other kind of management strategy must have two key elements: there must be strategic objectives i.e. things the strategy is supposed to achieve, and there must be a plan of action i.e. the means by which it is proposed that the objectives will be met".

HRD functions are dynamic and becoming more strategic in nature and many researchers have

observed that after the spread of the globalization, there is greater need for SHRD and it must be kept in mind by the HRD managers that every strategy is related to the HRD function in the sense of making planning as the base and then formulating the organization's strategies as well as its implementation. SHRD include activities such as recruiting, retaining, motivating, rotating and rewarding personnel. More emphatically we can say that SHRD formulation is concerned with making decisions with regard to defining the organization's vision and mission, establishing long- and short-range objectives. Whereas SHRD implementation is concerned with the organizations' structure, its systems and processes. Implementing change of strategic dimensions is likely to involve persuading employees to make changes in their working styles and methods. SHRD greatly recognizes HRD's manager's role to achieve organizational excellence in all respects by considering those formulated systems and processes,

and also through a highly committed and competent workforce. A number of studies indicate that SHRD are one of the tools for organizational excellence. One of the features of SHRD is to lead to new order of things.

A change in the organization's HRD functions, structure and its system triggers into motion of continuous SHRD formulation and execution to incorporate the appropriate processes in tune with change.

### SHRD



#### SHRD Formulation and Implementation: -

After the organization's corporate and business strategies have been determined and it is the duty of the managers to develop the SHRD. This SHRD commonly includes a staffing strategy (planning, recruitment, selection, and placement), a developmental strategy (performance management, training, development, and career planning), and a compensation strategy (salary structure and employee incentives). Formulating an aligned SHRD necessitates asking the following questions:

1. What types of individuals do we need to attract and retain?
2. How shall we develop and reward these individuals to better enhance employee productivity?

#### Major SHRD

<b>Strategic Communications:</b> In today's changing scenario, it is essential to educate and train employees about the change
<b>Strategic Accountability and Ownership:</b> Employee's accountability and ownership leads to higher productivity and customer acceleration.
<b>Strategic Quality:</b> Quality needs to be fostered in the employees through training and development.
<b>Strategic Cost Reduction:</b> Every employee's contribution in savings is crucial as small contributions from each employee can be pooled by organizations to save substantial savings at the end of a given period and enhance its competitive strategy.
<b>Strategic Entrepreneurship:</b> Every employee needs to be an independent entrepreneur, who can generate ideas and bring them to reality by using the existing resources and support of the org to create innovative and creative products and services.
<b>Strategic Systematic Training:</b> The planning and organization of formal on-job training and off-job training leads to improving vital employee characteristics, build and sustain appropriate work culture and brings in more professionalism in action.
<b>Strategic Learning:</b> Continuous development and learning environments promote self-development of employees of self and by self.
<b>Strategic Culture Building:</b> Organization's valuing its employees have a sustainable competitive edge over competitors because employees are highly charged, motivated and commitment to the organisation.

### **Role of SHRD to meet the challenges:**

A SHRD refers to a firm should deliberately use of human resources to gain or maintain an edge against its competitors in the market place (Butler, J.E., Ferris, G.R. and Napier, N.K. 1991).

SHRD are the course of action chosen with a view to achieve certain objectives. SHRD's primary objectives are to be sensitive to the changes and challenges. Globalization has resulted in new business concerns that focus on customer satisfaction, quality, cost-consciousness, restructuring and downsizing, outsourcing, instituting pay-performance plan, reducing health care costs, retraining employees and other challenges.

Globalization has brought in a lot of opportunities and challenges for the corporate sector. Most corporations are required to operate in global markets and are therefore required to be of world class in their products, services and approach. Even if a corporation decides to operate in local markets, it has to face global competition due to opening up of markets and hence cannot remain a passive local player. The corporation has to think globally in order to service competition. All SHRD should inculcate with corporate business strategies and its plans.

### **SHRD differs among organizations:**

It is always effective to implement a state-of-the-art SHRD, but in some industries benefit is greater than in others. Organization characteristics influence the effectiveness of SHRD. Increasing the use of state-of-the art SHRD has a stronger impact on labor productivity in low as opposed to high capital intensity organizations, in organizations where growth is high as opposed to low and in industries with high versus low product differentiation. In addition, among small businesses, state-of-the-art SHRD are found to be most effective in retailing and low-skill services firms and somewhat less effective—but still worthwhile—in professional service and manufacturing firms (Collins, 2006).

It is important first of all to identify the key people who will ensure about their articulated skills while concerning the job at their workplace.

SHRD suggest that there are some best practices, including:

- Recruiting large pools of applicants that enable you to be more selective.
- Using valid selection tests to assess the skills of the applicants.
- Performing regular appraisals to distinguish levels of performance.
- Giving regular formal and informal feedback.
- Providing substantial training to upgrade or maintain skill levels.
- Offering competitive pay packages.
- Tying monetary incentives (merit increases, bonuses, etc.) to high performance.
- Providing information on the company's performance, competitors and industry.
- Allowing employees to participate in decisions.

### **Criteria for an effective SHRD:**

An effective SHRD are one that works in the sense that it achieves what it sets out to achieve. Its particular requirements are set out below.

- It will satisfy business needs.
- It is founded on detailed analysis and study, not just wishful thinking.
- It can be turned into actionable programmes that anticipate implementation requirements and problems.
- It is coherent and integrated, being composed of components that fit with and support each other.
- It takes account of the needs of line managers and employees generally as well as those of the organization and its other stakeholders. As Boxall and Purcell (2003) emphasize: 'HRD planning should aim to meet the needs of the key stakeholder groups involved in people management in the firm.'

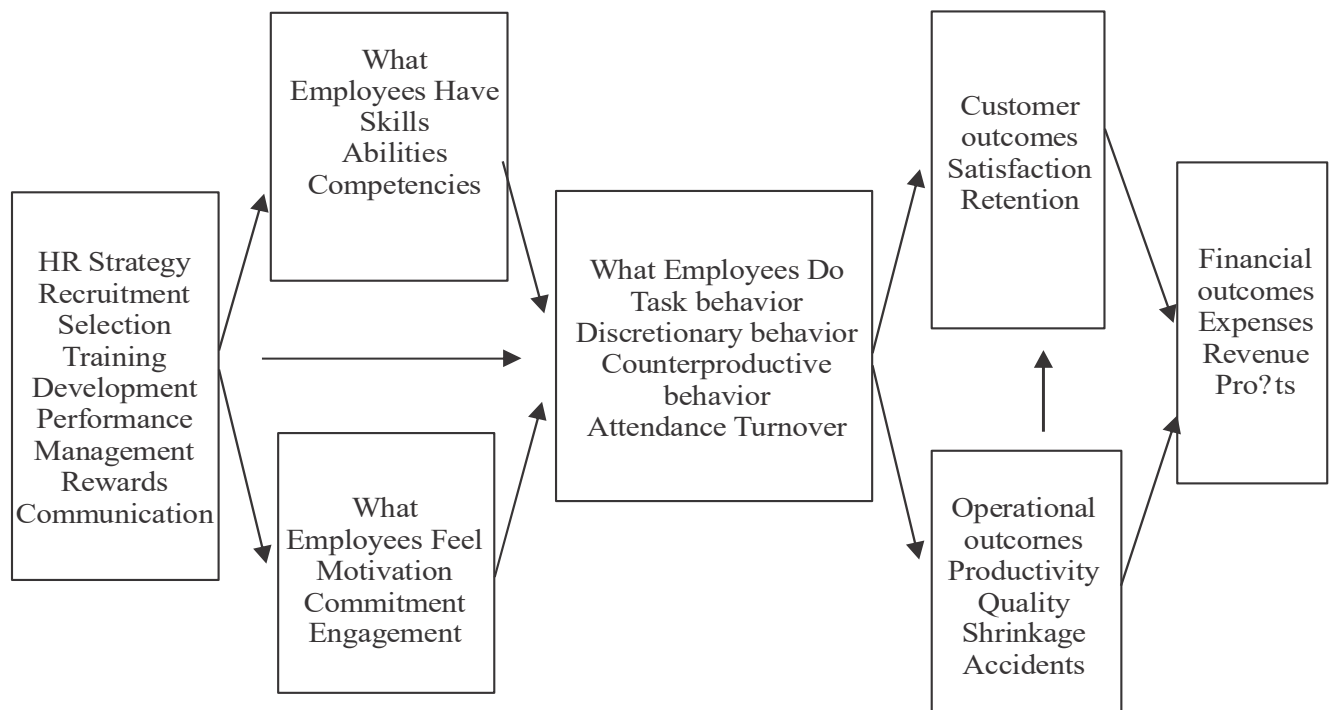
**Strategic Human Resource Management, SHRD and HRD best Practices:**

The chart below provides a comparison of strategic human resource management (HRM), SHRD and HRD best practices—terms that is often used interchangeably but are actually very different. They differ in their primary focus.

	<b>Strategic HRM</b>	<b>Strategic HRD</b>	<b>HRD Best Practices</b>
<b>Focus</b>	Human capital	Human resource practice system	Single HRD practice
<b>Level of interest</b>	Organization or business level	Job level	Job level
<b>Responsibility</b>	Designed jointly between line and HR	Designed mostly by HR	Designed entirely by HR
<b>Goal or Objective</b>	Get the right people in the right place in the business to maximize business success	Get people to have (skills), feel (attitudes) and do (behaviors) things that lead to job and business success	Get people to have (skills), feel (attitudes) or do (behaviors) something that leadsto job success

**How SHRD Affect Performance:**

Researchers have found a significant relationship between SHRD and profitability. However, this research has seldom identified how this relationship works. Figure given below illustrates one model based on what employees have, how they feel and what they do. You have already seen that the primary impact of HRD practices is on the workers themselves—the human capital. Let’s look more closely at the human capital through the analysis of this model.



### **Specific SHRD intend to do in areas such as:**

- Human capital management – obtaining, analysing and reporting on data that inform the direction of value-adding people management, strategic, investment and operational decisions.
- Corporate social responsibility should be a commitment for managing the business ethically in order to make a positive impact on society and its environment.
- Organization development cannot be achieved without having the effective planning system and implementation of programmes designed to enhance the effectiveness with which an organization functions and responds to change.
- Engagement– the development and implementation of policies designed to increase the level of employees’ engagement with their work and the organization.
- Knowledge management – creating, acquiring, capturing, sharing and using knowledge to enhance learning and performance.
- Resourcing – attracting and retaining high quality people.
- Talent management – how the organization ensures that it has the talented people it needs to achieve success.
- Learning and development – providing an environment in which employees are encouraged to learn and develop.
- Reward – defining what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of its stakeholders.
- Employee relations – defining the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its

relationships with employees and their trade unions.

- Employee well-being – meeting the needs of employees for a healthy, safe and supportive work environment.

### **Issues in developing SHRD:**

Five fundamental questions that need to be asked in developing SHRD have been posed by Becker and Huselid (1998):

1. What are the firm’s Strategic HRD objectives?
2. How are these translated into unit objectives?
3. What do unit managers consider are the ‘performance drivers’ of those objectives?
4. How do the skills, motivation and structure of the firm’s workforce influence these performance drivers?
5. How does the HRD system influence the skills, motivation and structure of the workforce?

But many different routes may be followed when formulating SHRD – there is no one right way. On the basis of their research in 30 well-known companies, Tyson and Witcher (1994) commented that: ‘The different approaches to strategy formation reflect different ways to manage change and different ways to bring the people part of the business into line with business goals.’

In developing SHRD, process may be as important as content. Tyson and Witcher (1994) also noted from their research that: ‘The process of formulating SHRD was often as important as the content of the strategy ultimately agreed. It was argued that by working through strategic issues and highlighting points of tension, new ideas emerged and a consensus over goals was found.’

### **Implementing SHRD:**

All too often, 80 per cent of the time spent on strategic management is devoted to designing strategies and only 20 per cent is spent on planning

their implementation. It should be the other way round. It is necessary to plan with implementation in mind. Because SHRD tend to be expressed as abstractions, they must be translated into programmes with clearly stated objectives and deliverables. It is necessary to avoid saying, in effect: ‘We need to get from here to there but we don’t care how.’ Getting strategies into action is not easy. Too often, strategists act like Mr Pecksmith who was compared by Dickens (1843) to ‘a direction-post which is always telling the way to a place and never goes there’.

### Methodology:

The study basically has made use of review of related literature as well as its analysis, and synthesis. The method used for the literature search involved accessing scholarly literature available in the printed form as well as through electronic database – mostly those acceptable and popular in the contemporary Management studies. It has applied the ‘keyword and key-phrase search’ technique for collecting sought information.

These research articles and papers were subsequently screened according to relevance for the study purpose. Only articles, with explicit reference to SHRD and organizational excellence interlink or integration, were considered. The articles that resulted from these screening were examined in detail and given the small number of relevant articles; each was reviewed in some detail as the basis of this literature review.

### Findings:

In discussing different views and SHRD performances, following are the major findings:

- The strategic business plans are important not just on a particular occasion, but on an ongoing basis. It should be a process and not an event.

- To create the right kind of market position requires a continuous process of developing the strategic options, fully exploiting the HRD potential, regularly assessing and reassessing the options and finally choosing the best.
- Human Resource Development is the most precious resources of an organization. SHRD management is the need of the hour.
- The success of the SHRD lies in its effective links with the business strategy. It is best suited in the area of recruitment and selection, training and development, appraisal and rewards because these are the growth stage of the organization. Their integration can be done through the state of the system desired in line to the business strategy.
- Typically, the organization’s life cycle is characterized by four stages start-up, growth, maturity and decline. To each stage a particular configuration of HRD systems is deemed appropriate. For example, in terms of rewards a start-up organization should meet or exceed the labour market rate to attract needed talent.
- The fulfillment of the requirement of people in terms of culture, motivation and satisfying work would perpetuate a feeling of belongingness and commitment.
- A Conducive environment characterized by a healthy climate, value of openness, proactive, trust, mutuality and collaboration is essential for developing human resources.
- The HRD function plans, monitors, coordinates, processes that are beneficial both to the individual and to the organization.
- Human resources are a large reservoir of potential and can be strategically developed, utilized, and enlarged to a great extent for competitiveness and versatile organization excellence.

## Conclusion:

There is no doubt that the SHRD when adopted should help organization's employees to contribute at the highest possible level and improve the bottom line. In helping employees to improve their skills, attitudes and behavior it means that the company is able to meet its ultimate goals. The various SHRD form principles for managing the workforce. As an HRD professional, one can translate these principles into specific HRD policies and practices for building the right skills, eliciting the right behaviors and achieving the right outcomes for your firm's own particular business strategy. Of course, what is right for one company may not be right for another. But certainly, if you can create a coherent SHRD, you're likely to be able to demonstrate how SHRD can add value to your firm in this transforming, globalizing market place.

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