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AN ANALYSIS ON THE ROLE AND INFLUENCE OF STRATEGIC HRM ON HIGH PERFORMING ORGANIZATIONS

Divyanshu chauhan*

Ila chaturvedi**

Abstract: *In today's dynamic and changing environment, human resources are one important source of competitive advantage. Human resource systems can contribute to sustained competitive advantage through facilitating the Development of competencies that are firm specific. Strategic human Resource management concerns with the creation of a linkage between the overall strategic aims of business and the human resource strategy and implementation. Now days HRM is concerned with the relationship between the strategic management and employee's relation in the organizations but SHRM focuses on the overall direction of the organization in the pursuit of its predetermined goals and objectives.*

This paper will focus on current tactical policies in high performing organizations and its impact on employees as well as organization itself. This research paper will also give emphasis on latest strategically adaptations to meet competitive advantages and being on the top most position in front of the customer, employees, society, stakeholders and govt. By this study, it is analyzed that increasing core competencies ,it can only be possible with the contribution of effective HR and by implementing HR policies in the right (predetermined) direction which leads to organization efficiency and effectiveness in high performing organizations.

Keywords: *High performing organizations (HPO), Tactical, Performance, strategic human resource management (SHRM), SPADE, Nonprofit organization (NPO)*

*Research scholar, School of management, Monad University

**Assistant Professor, Amity University, Noida

INTRODUCTION

In today's fast changing era organizational work environment is moving fast and this change is characterized by such phenomena as the globalization, changing customer and investor demands, ever increasing product-market competition. To compete successfully in this environment, organization continually need to improve their performance by reducing costs, innovating products and processes and improving quality, productivity and speed to market. Now days HRM is concerned with the relationship between the strategic management and employee's relation in the organizations but SHRM focuses on the overall direction of the organization in the pursuit of its predetermined goals and objectives. Organizations today have increasingly become aware of the importance of strategic human resource management (SHRM).This awareness in a system is a critical dimension in the performance of organizations (Rees, 2006). The real life experiences substantiate the assumption that no matter how sophisticated and modern the business activities of the organization may become, it will be extremely difficult to sustain its growth and effectiveness unless there are strategies that complement its operations. Business competitiveness is a recurring theme examined by academicians, consultants and practitioners. The frequent and uncertain changes, greater competition between firms, the need for continuous innovations, quality enhancement and cost reduction force companies to face the challenge of improving their competitiveness and consequently their performance. This realization has propelled SHRM as a major field of study and the renewed interest has facilitated the development of newer approaches in managing organizations and human resource.

Effective strategic planning and its efficient utilization may itself results in high performance by all levels of organization. Strategic planning can help to improve the performance of an enterprise. Few formal management practices have been proven by hard won experience, and confirmed by research, to enable organizations to improve their performance, and a logical formal strategic planning process is one of them. Organizational performance is about creating value for the primary beneficiaries of the organization. Strategic thinking and planning can help organization to keep the focus of on this value creation.

OBJECTIVE OF THE STUDY

- To analyze current strategic policies emerging in high performing organizations

- To assess the impact of tactical /strategically policies on clients, customers, employees, stakeholders and Govt. as whole.
- To study the latest interventions in the field of strategic human resource management.

RESEARCH METHODOLOGY:

- Type of study:-This study is descriptive in nature .this research will reviewed the impact of strategic human resource practices in HPOs and its impact on its overall organization performance. this research will focus on the key hr practices areas for competitiveness and its effective relationship
- Data collection-this research is based upon secondary data sources like research journals, papers, articles, business magazines, newspapers and internet or web portal databases.

NEED AND GROWTH OF SHRM PRACTICES:

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization

❖ ***Competitive HUMAN RESOURCE practices areas:***

- Procurement of new and talented people
- knowledge management
- Talent management
- Quality of work life
- Learning organizations
- Managing workforce diversity
- Cultural diversification
- Succession planning
- Corporate pruning
- Mentoring and coaching
- Inventiveness

- Employee engagement and commitment
- Performance assessment

❖ ***HRM in 21st century- A new strategic phenomenon***

There are an incredible number of pressures on today's organizations such as increasing globalization, rapid technological change, and tougher competition; organizational changes such as new organizational alliances, new structures and hierarchies, new ways of assigning work, and a very high rate of change; changes in the workforce, including employees' priorities, capabilities, and demographic characteristics. Within these pressured organizations, there is a need for (and opportunity for) the human resource function to play a critical role in helping organizations navigates through these transitions. In order to play this role, however, HR will have to increase its real and perceived value. The role of human resources has been evolving for some time. The shift from "personnel" to "human resources," for example, was part of the movement to acknowledge the value of employees as an organizational resource, and was an attempt to remove some of the stigma that was coming to be associated with slow, bureaucratic personnel departments. This shift in label was accompanied by a call for HR to become a strategic partner with the leaders of the business-to contribute to significant business decisions, advice on critical transitions, and develop the value of the employee

As with the advancement in technology and highly competitive world of business, there is a strong need to redesign the existing business policies and methods to conduct business and carry organizational activities to have competitive advantage, thus these are some remedies adopted by HPO's to sustained growth-

- ***Strong HR leadership***: As with any major change effort, a strong leader can develop a clear vision, motivate others to share that vision, and help them work toward achieving it. In order to change the role of HR in an organization, the HR leader will need to work both within the HR group and with the organizational leaders to reshape everyone's expectations of what HR can and will deliver. The success of the change will depend upon HR's ability to meet the real needs of the organization and the credibility it develops.
- ***Acute future orientation***: One of the ways that HR can provide value is to understand how changing environmental, organizational, and workforce factors will likely influence the business, anticipate the associated HR needs, and be prepared to deliver

appropriate solutions to meet those needs. By maintaining a focus on workplace trends, for instance, HR can prepare to evaluate the impact that particular changes are likely to have on an organization's people and processes, and be prepared to work with the business leaders to decide how to respond-being ahead of the curve, not behind it. For example, one movement that is likely to have significant impact on the way people are hired, managed, and valued is that of intellectual capital. A "new role" HR department is one that has learned about intellectual capital and its implications, evaluated the impact on current practice, and developed ideas and recommendations for changing HR practice and other business processes.

- ***Flexibility and creativity*:** An HR group that is successful in the future will likely be one that is responsive to the changing needs of its client organization. Responsiveness in the changing world of work will require being flexible-as the organizations change, so will their needs and priorities. In addition, traditional activities and processes may not be sufficient to meet the unique needs of the future-HR leaders will likely rely on creativity of their groups to achieve effective results. Increasing globalization of the market will create a need for both flexibility and creativity as businesses try to succeed in new locations, with a new workforce, and with new customers.
- ***Delivering value*:** Although this is not a new challenge for HR, it remains a critical one. HR is still perceived by many within today's organizations as simply a non-revenue generating function. It is important to make apparent the value provided by working with the management team to hire the right people, manage them well, pay them appropriately, and build a working environment that encourages success. Beatty and Schneier (1997) extended the concept of delivering value within the organization by arguing that HR must deliver economic value to the *customers*, as well as to employees.

There are strategies that have seen implemented as HR groups work to respond to environmental and organizational changes, become more valuable, and deliver results.

- ***Business unit assignment***: Some companies are assigning HR employees to specific business units as a way of enabling them to develop a focused relationship with a small part of the business. This relationship can be enforced when the HR person has a direct reporting relationship with the leader of the business unit. In these situations, the central HR group usually provides information and services to the "distributed" HR representatives, who then

deliver the service personally to the business unit. One advantage of this structure is that it fosters the flexibility and creativity mentioned above, as the local HR people can modify and tailor processes and services to meet the needs of their assigned business units.

- ***Centers of excellence***: As organizations grow by merger and acquisition, they often find themselves with multiple HR groups. These can be duplicative or complementary. When they are duplicative, they can be subject to (painful) downsizing and consolidation, leaving behind a department that is unable to serve all areas of the business as well as they had been accustomed, which can, in turn, undermine the credibility of HR. An effective response to this issue is to utilize the multiple HR groups differently. One approach that seems to work well is to develop "centers of excellence," where the HR groups in different parts of the company develop their expertise in a particular area and serve the needs of the larger company in that area-HR groups operating within this model can see each other as resources rather than competitors, and the company benefits from high levels of expertise in a number of areas.
- ***Consulting model***: A number of HR departments have adopted a consulting model of providing service. They view their internal customers as clients, learn consulting skills, and take their client satisfaction as a measure of their success. In one large high-technology firm, internal clients whose needs cannot be met by the internal HR group can go to external service providers directly-even for basic HR needs.
- ***Job rotation***: One way to bring the perspective of the business into HR-and vice versa-is to rotate line managers into the HR function for periods of time. These individuals often serve as reality checks for the HR group, and then bring an increased understanding of the value of HR back to their line function when the rotation is over. This approach seems to work best when the duration of the assignment is sufficient to allow the rotated individual enough time to become proficient in some area(s) of HR and when he or she is working closely with experienced HR people who can help them learn. Sending HR people into other areas of the business can serve a similar purpose.
- ***Increasing line managers' capabilities***: it is part of the future HR that responsibility for HR activities is shared between line management and HR people. This approach allows the manager to be more fully involved in the development and direction of employees, with HR as a resource; it requires, however, that those managers have the capabilities needed to

work through issues with employees successfully. Many companies are therefore increasing line managers' access to information. Many of today's HR information systems and integrated HR systems put tools and data on each manager's desktop.

It is clearly time for a quantum leap in the HR field, and I/O psychologists working with and for HR professionals can support this transition by taking seriously the organizational pressures to change, helping to identify ways to measure the value delivered by HR, and conducting meaningful research related to all areas of human performance in tomorrow's organizations.

SUCCESS MANTRA FOR HPOS: S P A D E (A KEY SUCCESS CHANT FOR HIGH PERFORMANCE)

START -Organizing to plan, engaging affected parties

PURPOSE - Sizing up the strategic challenge, setting targets

ANALYSE – Strengths, Weaknesses, Opportunities, Threats, and generate options

DECIDE – Devising Strategies from the options looked at

EXECUTE – Evaluating and Actioning strategies

IMPACT OF COMPETITIVE STRATEGIC HUMAN RESOURCE PRACTICES IN HPO'S:

Human resource management is a key vital tool for any organization. Because no machinery can work alone without the supervision of manpower .it is the only human being who let the machines to begin with work even all automated machines, they require manpower to get started. So, the people who make up an organization -human resources- are considered to be one of the most important resources of today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Recognizing that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of human resource management and strategy. Traditional sources of success such as product and process technology, protected markets, economies of scale, etc. can still provide competitive leverage but an organization's human resources are more vital for its sustainability.

Strategic human resource management (SHRM) represents a relatively new transformation in the field of human resource management. SHRM is concerned with the role human resource management systems play in firm performance, particularly focusing on the alignment of human resources as a means of gaining competitive advantage. Organizations are becoming aware that successful human resource policies and practices may increase performance in different areas such as productivity, quality and financial performance.

Understanding how HR is approached in the context of the organization in which it operates is crucial to understanding how HR contributes to business strategies and the value that it is composed to bring to the organization. Moreover, it adds to the overall Picture of HR professionals' career progression expectations as well as non-HR business leaders' perceptions of and mentoring involvement with HR. human resource does not only limited to the recruitment and selection of employees but it is quite dynamic tool to encompass the adequate matching of skilled, competence, qualified, trained and talented employees within the organization to competitive advantage and organizational goal fulfillment. Organizations are becoming aware that successful human resource policies and practices may increase performance in different areas such as productivity, quality and financial performance. Competitive Human resource management as tool for high performance:

- To capitalize in people through the introduction and encouragement of learning processes designed to increase capability and align skills to Organizational needs,
- To ensure that the organization identifies the knowledge required to meet its goals and satisfy its customers and takes steps to acquire and develop its intellectual capital,
- To define the behaviors required for organizational success and ensure that these behaviors are encouraged, valued and rewarded,
- To encourage people to engage wholeheartedly in the work they do for the organization and to gain the commitment of people to the organization's mission and values.

EFFECTIVE STRATEGIC PLANNING PROCEDURE FOR BETTER RESULTS:-

- Engage commitment from those people who will be affected by the plan
- Set long term strategic objectives for improved performance of the organization
- Generate strategic options

- Evaluate and Decide on strategies
- Monitor Execution of the strategies against the long term objectives.

CONCLUSION:

It is analyzed and reviewed that human resource management now days not only limited to the traditional HR practice area, but enriched its scope with new strategically or tactical policies because in this fast moving era of globalization and growing cut throat competition , most organizations are preparing its manpower in such a manner to cope up and ultimately increase performance to fulfill personal , organizational and societal goals as well.

For this particular reason human resource is linked with Strategic Human resource management. Now organizations are making and practicing newer technologies and policies to have efficiency in their work that's why there is a huge shift in HRM scenario. Currently organizations are more concerned with the satisfaction and better interpersonal roles amongst employees, customers, clients, stakeholders, and government etc.

Some of highly practicing strategies are talent management ,knowledge management Quality of work life ,Learning organizations ,Managing workforce diversity , Succession Planning , Corporate pruning ,Mentoring and coaching, Inventiveness, Employee engagement and commitment ,Performance assessment etc .These strategies if practiced effectively by all levels in the organizations are proving better results and increased performance.

About 81% of the HRD practitioners in the HPO are agreed that HRD activities implemented in their organizations could increase their employees' commitment and motivate on towards their jobs and improve interpersonal and interdepartmental relations. On the other hand, 54% of the HRD practitioners in the medium performing organizations also agreed that these developments were beneficial. Indeed, the managers interviewed reported that employees were provided with training activities and team building programs to increase their commitment and motivation as well as improve interpersonal and interdepartmental relationships.

Collectively all the strategies and management policies are preparing their manpower in such a manner to compete with others and to improve efficiency of their work done.

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