

Strategic Human Resource Management: Its Impact on Organization

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Abstract

Organizational performance is getting more and more important, especially in a market with greater competition and dynamic. Organizational performance is measured through Different indicators. It guarantees the continuity of the organization to be competitive in a Global marketplace. Normally, the implementation of performance indicators achieved through human resources. Human resources are the key for keeping the organization in the Market so competitive. These human resources need to be managed effectively to achieve the required performance of the organization. It is necessary to manage strategically the Human resources and to adapt at its strategy with organizational strategy. The aim of this study is focused on the impact of the strategic management of human resource in Achieving organizational performance. This study was conducted based on primary and secondary sources. How much organizations appear competitive in the market through achieving the performance indicators? How important is the management of human resources in achieving organizational performance?

So, through the skills, behaviors and attitudes would be expected by human resources to achieve the required performance in the organization. Human resources are regarded as one of the most important sources of today's firms.

Human resources management is more important than other competitive sources because these people use other assets in organization, create competitiveness and realize Objectives. Thus firstly, organizations must understand the expectations of their workforce In order to achieve the desired performance. The realization of the expectations of Employees will enable the desired behavior of employees in the organization.

Keywords: *strategic HRM, organizational performance,*

Introduction

Organizations are seeking to create much competition between them, taking more market, more customers, more sales, etc. Rapid changes stemming from globalization, advancement of information systems and other factors have caused higher competition. Many organizations are driven by the market to set their goals in their performance. Some of the goals are: cost reduction, when we make as much as cost reduction we can go for a stable price achieving sales levels, increasing the number of customers, and for targeting customers how the product is reaching increasing the market percentage, improving productivity and quality, innovative products.

The realization increasing the market percentage, improving productivity and quality, innovative products. The realization of these goals will be achieved through the human resources management in organizations. Workforce, as the key to success, will enable the achievement of organizational performance. Human resources are regarded as one of the most important sources of today's firms. Human resources management is more important than other competitive sources because these people use other assets in organization, create competitiveness and realize objectives.

The overall goal of performance management is to create a culture as high performance in which individuals and teams to take responsibility for the continuous improvement of business processes and their skills and contribute in achieving the targets set by managers?

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, RanaSinha 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.

Conceptual thinking in Human Resource Management

Within human resource management there are two main strands of thinking. The first, often referred to as the ‘hard’ variant of human resource management, focuses on cost reduction and containment, links with strategy and the role of HRM in furthering the competitive advantage of the organization. The second, typically labelled ‘soft’ HRM builds on human relations traditions and stresses the importance of the subjects as a means of furthering employee satisfaction and a range of related humane objectives that are achievable from the insights of systematic studies within HRM.

The two levels of philosophy and practice here are inextricably linked in much of the writing on the subject, although it is important to distinguish the ‘analytical’ from the ‘normative’ dimensions. Normative models or theories of this type are more prescriptive in their approach reflecting the view either that a sufficient body of knowledge exists to

Provide a basis for prescribed best practice or that a set of values indicates best practice.

Often these two perspectives become conflated. Guest (1997) attempted to capture some of the spirit of this approach by seeking to represent it within a coherent framework, specifying some of the links so the resulting model can at least be tested and possibly refuted. Descriptive research involves attempting to define or measure a particular phenomenon, usually by attempting to estimate the strength or intensity of behavior or the relationship between two behaviors. In other words, these approaches set out to describe the field in a comprehensive way.

Beer, Spector, Lawrence, Mills and Walton (1985) and Koch an, Katz and McKelsie (1986) attempt to capture the broad field and to 6 address some of the interrelationships. For Beer et al. (1985) this means listing four broad areas of HRM policy and practice and four key outcomes. For Koch a et al. (1986) it entails a systems approach describing the interrelationships between the levels. It also must be noted that categorizing the field in this way is not unproblematic. The twofold division into the prescriptive schools on the one hand, the various descriptive schools on the other, is crude. It is as likely to mislead as to clarify. Much of this classification is focused on the process dimensions of strategy formulation with the result that some categorization must be forced. Nevertheless, such typologies are useful to the extent they draw attention to the variety of perspectives represented in the strategic human resource management literature and the variety of narratives within the discourse.

Objectives of the study

- I. To know the importance of human resource in the organization
- II. How to make the strategies to HRM
- III. Impact of human resource in the organization
- IV. Implications of HR in organizational benefit
- V. Developing human resource in organizational values

How HRM Impacts on Organization

HRM is going to impact on many of the stages in organization. Because now a days in a competitive business world we need a strong man power and strong ideas to get a good productivity. In order to face the competition the strategies what we are making in a company's are very important. On the basis of strategies the execution will be done in organization. So by having a strong human resource we can achieve it. And now a days in a company's we are seeing that they are giving a target production for workers on a particular time they have to finish the production as much as possible. So by this pressure also we are seeing that the workers are very much interested to work in organization. This shows their confidence level also and organizations should understand the needs and wants of the employees and as much as possible then it will be a good impact on organization. If suppose in case the organization is not in the favor of organization and it will be a bad impact on organization. So interest of employees is based on the facilities given by organizations. the importance of gaining competitive advantage through employees and noted the importance of several human resource HR practices necessary to obtain this advantage Huselid stressed the use of an integrated and coherent bundle of mutually reinforcing HR practices over separate ones Notwithstanding the substantial volume of research on the link between HRM and performance the exact nature of this relationship within the health care sector remains unclear. This can be considered problematic as studying HRM in the health care sector and its effect on performance has both practical and academic relevance.

However performance is not a concept that can be easily defined and conceptualized. It is better to use the concept of outcomes instead of performance. The outcomes can be given in three type's financial outcomes, HR outcomes, and organizational outcomes.

Models of HRM

In basis of model we are seeing 4 types of model.

Harvard model: Focuses on employee commitment, resulting that employee have been consistent, capable and cost effective.

Michigan model: emphasizes on hard HRM people have to be managed like any other resources acquired cheaply used economically developed and abused fully.

Guest model: operates on the conviction that a set of incorporated HRM practices will lead to superior individual and organizational performance.

Warwick model: identifies the influence of personnel on HR strategy content and emphasizes recognizing the inner and external performance.

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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, lifted 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.

Today the field of human resource management is experiencing numerous pressure for change Shifts in the economy, globalization, domestic diversity and technology have created new demands for employees. HRM has always been located at the interface of potentially conflicting forces within organizations. However in its quest for legitimacy HRM has tended primarily to look up the hierarchy level of organization.

And there will be always three levels of management in the organization. I.e. top level, middle level, and low level of management. And the decision which is taken by the organization at top level should be executed properly and the order should be obeyed by the each and every employee in the organization. Then only the HRM will be more effective in the organization.

And while making the strategies in organizations they have to think about the SWOT analysis. It is nothing but strength, weakness, opportunities and threats. So internal analysis will be linked with strength and weakness and external analysis will be linked with opportunities and threats. So as an organization they should know their area of strength and their area of weakness. And identifying the opportunities and solving the threats is nothing but overcome with the problems.

Human Resource Planning

Human resource planning is the process by which a management determines how an organization should move from its current manpower position to its desired manpower position. Through planning. A management strives to have a right number and the right kind of people at the right places at the right time to do things which result in both the organization and the individual receiving the maximum long range benefits of all the MS in management. Management of materials, machines, methods, money, motive power. The most important is M for men or human resources. It is the most valuable asset of an organization. it is in fact an important economic resource covering all human resource organized or un organized employed or capable of employment working at all levels supervisors, executives Government employee blue and white collar workers .managerial, scientific, engineering, technical, skilled,

or unskilled persons who are employed in creating, designing , developing, managing and operating productive and enterprise and other economic activities.

Process of Human Resource Planning

The process of human resource planning is one of the most crucial, complex and continuing managerial functions which embraces organizational development, managerial development career planning and succession planning. The process has gained importance in India with the increase in the size of business enterprises, complex production technology and the adoption of professional management technique. It may be rightly regarded as a multi-step process including various steps.

Intended HRM Practices:

These practices represent the outcome of the development of an HR strategy that seeks to Design an HRM system or practice that the firm's decision makers believe will effectively elicit the employee responses desired. This may be tied directly to the business strategy or Determined by some other extraneous influences. However, the important point to note is that the decision makers have proactively analyzed the situation and determined that a certain set of HR practices will best elicit the kind of affective, cognitive, and behavioral responses from employees necessary for organizational success.

Perceived HRM Practices

The actual HR practices exist objectively, yet must be perceived and interpreted subjectively by each employee in the focal Group. Consequently, the process then moves down to the level of the individual. At this level considerable variance can occur due to both variation in the actual HR practices which would likely cause valid variance in perceived HR practices, and variation in the schemas individuals employ in perceiving and interpreting HR-related information. Employee Reactions. Based on the perceived HR practices, employees will react in some way. Each employee processes the information in a way that elicits some reactions, be they affective (attitudinal), cognitive (knowledge or skill) and/or behavioral. Affective reactions consist of reactions such as various aspects of job satisfaction and/or organizational Commitment (often according to principles of social exchange theory).Cognitive reactions may include increased knowledge or skill Behavioral reactions can be classified as reactions with Regard to task, counterproductive, and discretionary behavior (Lee & Allen, 2002). Task Behavior describes the kind of behavior prescribed as part of the job. Increasing job focused Behavior aimed at being more productive or making fewer mistakes exemplify task behavior. Counterproductive behavior describes negative behavior aimed at either hurting the organization or at bettering ones' own position at the expense of the organization. Theft of Goods, sabotage, or time theft (e.g., spending work time on personal activities) exemplify Counterproductive behavior. Discretionary behavior consists of behavior not prescribed by the Organization, but which is aimed at benefiting the organization.

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A: Objectives of Human Resource Planning

Human resource planning fulfills individual, organizational goals and national goals, but the ultimate mission or purpose is to relate future human resources to future enterprise needs so as to maximize the future return on investment in human resources

B. Estimating the Future Organizational Structure or Forecasting the Manpower Requirements

The management must estimate the structure of the organization at a given point of time. For this estimate the number and type of employees needed have to be determined. Many environmental factors affect this determination. They include business forecasts, expansion and growth, design and structural changes, management philosophy Government philosophy product and human skills and competition.

C. Auditing Human resources

Once the future human resource needs are estimated the next step is to determine the present supply of manpower resources. This is done through what is called Skills inventory A skills inventory contains data about each employees skills abilities work preference and other items of information which indicate his overall value to the company.

D. Job Analysis

After having decided how many persons would be needed, it is necessary to prepare a job analysis, which records details of training, skills, qualifications, abilities, work preference and responsibilities etc. which are needed for a job. Job analysis includes the preparation of job descriptions and job specifications.

E. Developing a human resource plan

This step refers to the development and implementation of the human resource plan, which consists in finding out the resources of labor supply with a view to making an effective use of these sources The first thing therefore is to decide on the policy should be personnel be hired from within through promotional channels or should it be obtained from an outside source the best policy which is followed by most organizations is to fill up higher vacancies by promotion and lower level positions by recruiting from the labor market

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