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## FRAMEWORK; Traditional to strategic HR management

**BYLINE:** Elfren Sicangco Cruz

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The radical change taking place in the workplace and the work force has led to the dramatic evolution of traditional human resource management to strategic human resource management. The days of the strictly administrative human resource function are over. HR management must now be considered a critical strategic partner and must contribute to the overall objectives of the company.

Strategic HR management is characterized by focusing more on strategic rather than operational issues. However, the administrative work must still be done efficiently.

Strategic HR management involves making the function of managing people the most important priority in the organization, and integrating all human resource programs and policies within the framework of a company's strategy. Strategic HR management recognizes that all decisions on finance, marketing, operations or technology are made by an organization's people.

Strategic HR management involves the development of a consistent, aligned collection of practices, programs, and policies to facilitate the achievement of the organization's objectives. It considers the implications of corporate strategy for all HR systems within an organization by translating company objectives into specific people management systems. (Mello)

The most important consideration of strategic HR management is that there is no one best way to manage people. Therefore, the specific approach and processes will vary from organization to organization. It may even vary in an organization with clearly defined business units or functional areas. However, all HR programs and policies must be consistent and must therefore be integrated within a larger framework, leading to the facilitation of the organization's vision and its objectives.

Human resource management has been traditionally defined as the set of philosophies, processes and procedures a firm uses for the following four basic tasks:

- \* Managing the entry and exit process. The HR function has normally been responsible for recruiting people the organization would need in the future. Therefore, manpower forecasts are made and a corresponding plan is made. HR managers have also been involved in the exit or separation process. This is normally done by retirement or by having the employee fired.

- \* Managing the growth and development process. There are traditional HR tasks such as orientation or socialization, training and development, and performance appraisal. Processes are also designed so that employees understand the overall scope and direction of the organization.
- \* Managing the reward and recognition process. Rewards come through the administration of compensation and benefits, and recognition comes in the form of promotion, job assignments and rotation. However, the process of rewards and recognition includes the countermeasures of demotions and disciplinary action. Performance appraisal is also a critical input into the reward and recognition system.
- \* Managing the overall organization climate. In the highly competitive and rapidly changing business environment of today, it is necessary to foster a climate that challenges employees to better levels of performance. Of course, the organizational climate is not a variable to be managed or designed. However, it is necessary for all the organization's processes and procedures, from its compliance with the law to its new strategic initiatives, to be aligned.

In the shift from traditional HR to strategic HR, there are a number of issues which HR practitioners must contend with. The first is whether the main responsibility for people management programs should rest with staff specialists in the corporate HR department, or with the line managers who are the ones most in contact with the workers.

Traditional HR assumes the role of handling transactions as they arise. These may involve compliance with changing laws, rectifying problems between supervisors and subordinates, recruiting and screening applicants for current needs and basically responding to events after these happen.

Strategic HR is much more transformational and realizes that the success for any initiative for growth, adaptation, or change within the organization are dependent upon the employees who utilize any change in technology or produce any changes in the organization's product or service. HR, therefore, plays a transformational role by assisting the organization in identifying and meeting the larger challenges it faces in its external environment by ensuring that the internal mechanisms that facilitate change are in place. (Mello).

Traditional HR departments must, therefore, rethink, redefine and reevaluate their roles. HR managers must learn to operate their departments more like a business. Businesses must have clear strategies, outcomes, products, services and structures to attain specific objectives which are aligned to the corporate objectives. HR practitioners must answer the following questions:

- \* What is the HR strategy?

Strategy defines how a business positions itself and allocates resources to products to deliver value to customers. An HR strategy articulates the purposes of HR within the firm, the deliverables or outcomes from HR work, and the services delivered by the HR department.

- \* What are the products or services of HR?

Many typologies of HR work exist to describe types of HR processes. The new HR typologies will identify new HR products or services required to meet changing business needs. Many of these new products will ensure the flow of intellectual capital and knowledge within a firm, while others will ensure the development of a new generation of leaders within a firm.

- \* How should HR be organized to ensure that the strategy is executed?

Increasingly, organizations are being defined less by structure and more by how capabilities are acquired and developed. The tremendous growth of outsourcing is clear evidence of this development. As HR functions articulate clear strategies, products or services, they identify the organizational choices that ensure that capabilities, even across organizational boundaries, meet strategic goals.

It is clear that human resource management must operate strategically. The central idea behind strategic HR management is that all initiatives involving how people are managed need to be aligned with and in support of the organization's overall strategy. No organization can expect to be successful if it has people management systems that are at odds with its vision. As a prerequisite for understanding how to strategically manage human resources, it is necessary to understand the process of strategic management. (Mello)

Elfren S. Cruz is a professor of Strategic Management at the De La Salle University Graduate School of Business and the author of *Setting Frameworks: Family Business and Strategic Management*. E-mail comments to [cruzes@info.com.ph](mailto:cruzes@info.com.ph).

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