

Strategic Planning and Innovation in Human Resource Management

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Abstract

In today's era, new strategic approaches for holistic Human Resource Management are needed to cope-up with knowledge and competence challenges related to new technologies. In such organizations, facing increased global competition and changes in their environment are very common and frequent. Also, firms are becoming increasingly aware of the importance of social, ethical, and ecological objectives. In such situation, Human Resource Development (HRD) is more relevant than ever before. Such external pressures ask for employees that have the skills, knowledge, and ability to perform optimally. This facilitates the need for an organization to apply for innovative Human Resource Management (HRM) practices. By using innovative HR policies and practices, organizations aim at ensuring the autonomy and skills enhancement of employees to enable them to perform well in changing circumstances. This means that researchers and HR managers need to have some understanding of what Human Resource Management innovation means and how it can be achieved. They define the pattern of planned or emerging HR strategies and practices intended to enable the achievement of financial, social and ecological goals while simultaneously reproducing the HR base over a long term. This will help the organization in adopting new ecological techniques by the integration of innovative sustainable strategies. Thus, the paper aims to present the development of a competence model and explains how Human Resource Management contributes to innovation. It also shows an approach of how companies and HR managers can make use of it to meet arising challenges in their working lifestyle and how they contribute to the overall economic growth. Also, we will give an overview about the strategic planning that would influence the future of Human Resource Management.

Keywords: Human Resource Development, Human Resource Management(HRM), Innovative HR policies, Skill Enhancement, HR strategies, Economic growth

I. Introduction

Human Resource Management is a contemporary, umbrella term used to describe the management and development of employees in an organization. Also called personnel or talent management, Human Resource Management involves overseeing all things related to managing an organization's human capital. It reflects the professional disciplines and business functions of overseeing human resources of an organization. It also focuses on planning of new innovations in the functioning of an organization which will uplift the strategies and planning to improve the efficiency of working people[11]. Since it is people who develop and implement ideas, innovation will depend on effective Human Resource Management (HRM). Thus, HRM has become one of the important drivers of sustainable development. They have a major role to play in designing efficient strategies which align with the company's values and culture, investors' expectations, meeting government rules and regulations, and most importantly, initiate environment friendly practices and awareness among employees. Since its first introduction was in the early 1980s, essential functions of this concept were focused on human resources as well as the recruitment, selection, staffing, retention and release of employees. Focusing on all activities concerning the professional education, learning and training of individuals and teams, this function heavily influences the organizational development. Thus, both strategic HRM and knowledge are key enablers of innovation in firms. This journal focuses on Strategic Human Resources Planning which is a step in identifying human resource needs of the present and future of an organization to achieve the goal. Better strategic planning is needed to ensure that the organization obtain competitive opportunities from other organizations in the future. That's why by integrating the literature with the logical beliefs, this study proposes several management practices to make the organization compatible with the future development by developing a climate of learning and innovation, which can ultimately enhance the organizational capabilities.

II. Purpose Of The Study

1. The main purpose of this study is to examine whether strategic planning HRM can support the achievement of business goals. This goals and objectives are attainable when the strategy is aligned with the organizational goals.
2. The next purpose is to develop and expand the workforce in organization and meet future demands by proposing innovative ideas.
3. Furthermore, strategic human resource also develops plans for the future and to make sure all employees meet company goals and expectations.
4. Besides that, provide individual member of staff with information relating to staff development and training opportunities, and their task.

III. Proposed Methodology

The different conceptions of HRM are reflected in the various nomenclatures that are currently being used. The purpose of the journal is to review the Strategic HRM studies in order to define the characteristics, identify factors, concept, approach used in literature. It highlights the potential applicability of the developed competence model and how qualification strategies can be derived. Various steps of the methodology we proposed are as given below:

- Provide a framework for strategic decision making in human resource management.
- Assure linkage between corporate, business, and human resource strategies.
- Conduct an initial strategic audit of the HRM function.
- To assess the availability of human resources/personnel data.
- To assess the impact of human resources/personnel considerations on strategy formulation.
- To detect strengths and weaknesses in the current human resource strategy by each decision category.

IV. Literature Review

The term Strategic Human Resource Management was well-defined by Wright and McMahan (1992) [1] as “the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.”

Stephen King (2004) [3] stated that the future of HRM will be built on innovation and creativity, in nutshell innovation and creativity approaches were needed towards quality of life, environmental improvements through the healthy, sustainable, vibrant community theme. In summary it was said that money and support of employees can put HRM on the road to environmental Sustainability.

Schuler and Jackson (1987) [4] has developed strategy to use in HRM study based on porter’s three pattern which is 1) innovation strategy 2) quality enhancement strategy and 3) cost reduction strategy that are widely used in SHRM study.

Kaufman and Miller (2011) [5] observed that organizations choice of HRM practices normally followed the three-topology developed by Delery and Doty (1996), which are universalistic, contingency, and configurational perspectives. The universalistic was considered to be the best practice. Meanwhile, the contingency and configurational perspectives were considered to be best fit.

Malt Bolch (2008) [6], in his research has said spreading the word about Sustainability initiatives may fall to more than one department but human resource plays an important role, it is important for human resource professionals to have conversations with employees and the community at large about the implications of advance techniques and innovative ideas.

Ehnert [2009] [7], contributed significantly to the field of sustainable HRM by applying the paradox theory as an underlying approach for sustainable HRM.

According to Guerci[8], the success of an organization depends on its capability to integrate the interests of different stakeholders, and given the fact that integration is realized through the HRM function.

FEATURES OF HRM

Human Resource Management as a discipline includes the following features –

- It is pervasive in nature, as it is present in all industries.
- It focuses on outcomes and not on rules.
- It helps employees develop and groom their potential completely.
- It motivates employees to give their best to the company.
- It is all about people at work, as individuals as well as in groups.
- It tries to put people on assigned tasks in order to have good production or results.
- It helps a company achieve its goals in the future by facilitating work for competent and well-motivated employees.

- It approaches to build and maintain cordial relationship among people working at various levels in the company.

V. Planning Process For Human Resource Management

1. Assess the current human resource capacity

The most important steps in organization based on strategic plan are to assess the current capacity of human resource. Thus, the management can describe each type of employee based on their capabilities while handle the tasks given and from that they can find a right employee that must undergo a training program to enhance their abilities.

2. Forecasting human resource capacity

The second step based on the strategic plan is to forecast human resource requirements for the future. The management must forecast the demand and supply for the organization's future. Forecasting can support the organizational goal and give the important information especially human resource capacity to management.

3. Gap analysis

The third step is to identify the gap between the organization present and in the future. This gap analysis will identify the number of staff will be employed in the future, the scope of the organization will be carried out, the skill and technology required and so on. It is important because through this strategic plan, management can improve or there are new practices to make the organization move forward, always up dated and achieve their strategic goal.

4. Developing human resource strategies

There are several strategies that the organization may take advantage in order to meet their goals in the future. The organization can do a training program to develop their employees. The management also can send their employee to take courses to become expert or certificates them. This training is to upgrade and enhance the employee's skills and it will give advantage to the organization.

V. Strategic Implementation

1. Values and culture

HR policies should be examined from the perspective of core values, to ensure that the value is accordance with the new strategy. To maintain stability in the middle of turbulent change, HR must play an important role in communicating the company's core values and operational changes to employees.

2. Future performance capabilities

HR must analyse the capabilities inherent in the organization to determine the core competencies that will be needed to implement the strategy in the future. The basis for the strategic contribution of HRM is to close any gaps between actual competencies required of the future.

3. Passion to improve

HR must help to develop a healthy respect for the bridge view, so that they can be heard and discussed, especially when dealing and strengthen with the company weaknesses. They must replace the hardcore, bureaucratic policy to friendly lines, flexible framework that does not damning line managers.

4. Partnerships and collaboration

HR can do a lot of action to help resolve the structural stress and cross-functional teams. They allow others to become successful, productive partnerships that need to intensify the company's ability to achieve new strategies.

5. Learning and system thinking

Regeneration strategies must be combined with strategic HRM learning program. Teamwork, communication, problem solving, statistical analysis processes, and continuous improvement are just some of the skills that must be learned and adapted to meet the new strategy.

6. Communication and commitment

HR has an actual cheerleading role to play in the follow-up to the strategic planning session. They can and must be followed up to make sure that the commitment and passion for the new strategy to be experienced. HR can proceed the planning process across the organization so that everyone taking part in the continuous organic strategic planning process.

SOME EXAMPLES OF SUCCESSFUL INNOVATION IN HUMAN RESOURCE MANAGEMENT

1. Recruitment innovation

Good recruitment is essential to the success of every organization [12]. Perhaps this is why we see – a lot – of innovative technologies in this part. There's a solution for each part which is shown below:

- **Job adverts**

When it comes to HR innovation, job ads are probably not the first thing that comes to mind. Augmented writing technology now makes it possible to predict whether a job advert (or any other type of text for that matter) you write will get you the outcome you want.

- **Sourcing**

Programmatic job advertising is something that's blown over from marketing. Recruiters can specify exactly what characteristics, skills, and demographics they are looking for in a candidate. The software makes sure that the job ad is shown to the right people, on the right platform, and at the right time. The innovation lies among other things in the fact that recruiters and hiring managers no longer need to manually select job boards (or social media platforms) and post job adverts. It also significantly increases the recruiter's reach.

- **Preselection**

Preselection technology enables organizations to hire selectively – and to bring people on board who add value. As such, selective hiring is a Human Resource best practices that can increase a company's profit. Pre-employment assessment software has come a long way. No more need to manually go through dozens, sometimes even thousands of CVs to make an initial selection.

2. Onboarding

Strictly speaking, onboarding could be considered as a part of recruitment. But since a candidate needs to be hired in order to be onboarded, we'll treat it as a separate example of Human Resource innovation. Onboarding is something that's all too often being overlooked. Luckily, there is Human Resource technology that manages the entire onboarding process. Some solutions even take over as soon as a candidate has signed his or her contract. Hence making sure your fresh recruits don't feel like they've fallen off the radar.

3. Performance management

Although there is a lot of innovation going on in performance management land, today management people mainly focus on the feedback part. Today, performance management technology enables organizations to let their employees and managers give and receive continuous feedback. The software tracks people's progress and gives valuable insights into their progress. This helps managers to support their employees when necessary. It also creates a culture of coaching between peers.

4. Talent Management

When we talk about Talent Management and Human Resource innovation, one of the first things that come to mind is the Talent Management Dashboard (TMD). A talent management dashboard gives recruiters and hiring managers a comprehensive overview of their talent pool. This enables them to communicate with and nurture their talent in order to plan for the future.

Functions of Talent Management

After gathering all the skilled people required for the job, we need to handle them. This is not possible without specifying the operations that need to be undertaken in talent management. [2] Various functions that organizations should perform with the help of HRM and other departments are given below –

- Talent requirement analysis
- Allocating the talent resources or sources
- Influencing talents towards the organization
- Recruiting or nominating the in house or outsourced talents
- Managing combative salaries or professional fees
- Training and progress of talent pool



Fig.1: Task of HR manager for appropriate talent requirement analysis

5. Learning and development (L&D)

Another area where we see a lot of Human Resource innovation is that of employee learning and development (L&D). If they want to, organizations are now in a position to offer their workforce ondemand, real time learning. An L&D program that's customized to the preferences of each individual employee. This means that employees can access the L&D content on any kind of device and learn about things that are in line with their personal career goals.

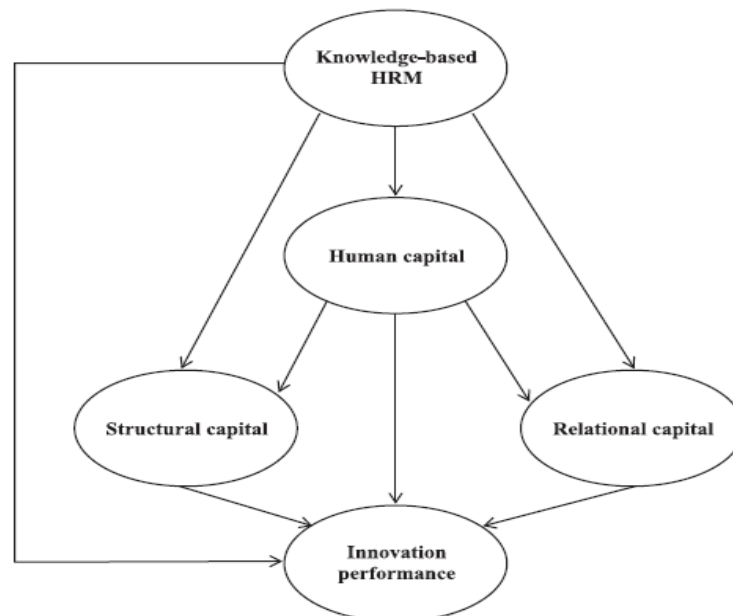


Fig.2: Block diagram showing contribution of HRM in Innovation Performance

RELATIONSHIP BETWEEN HR STRATEGY AND BUSINESS STRATEGY

Today, human resource departments have a more precise, strategic role in companies. Let us look into management of Human Resource as part of a complete business strategy. [9]

HR Strategy as Business Strategy

In real world, no margin in the sand is drawn between human resources strategy and business strategy. A successful business owner understands the strong connection between the two. Progressing human capital is essential to the longevity and success of a business.

Human resources strategy today includes executive leadership teams conferring with human resources experts to improvise complementary goals for human resources and the complete business.

HR Strategy Is Business Strategy

In an ideal world, there is not a line drawn in the sand between human resources strategy and business strategy. A successful business owner realizes the strong connection between the two. Developing human capital is important to the longevity and success of a business. In the past, personnel administration was merely the processing of payroll, benefits and applications. Human resources strategy today involves executive leadership teams conferring with human resources experts to develop complementary goals for human resources and the overall business.

HR Strategy and Business Productivity

The recruitment and selection process of your human resources department is paramount in building a productive workforce. Developing a human resource strategy for recruiting and selecting the best employees affects your organization's bottom line. Maintaining a workforce where employees enjoy high levels of job satisfaction and job security translates into a workforce that helps achieve business goals. According to HR experts, human capital, or human resources, is your most valuable resource.

Considerations

A number of factors affect the relationship between human resources and business strategy. Executive leadership needs first to understand the benefits of aligning HR goals with overall business goals. Forward-thinking concepts may need to be approached carefully to avoid scepticism among old-school executives who still consider human resources as merely personnel administration. Building the relationship may also require the assistance of an HR consultant to map the strategy for effecting change in an organization.



Fig.3: Relationship between HR Strategy and Business Strategy

WHAT IS e-HRM?

e-HRM is something a new innovative idea which deals with the planning, implementation and application of information technology for both networking and supporting the HR activities.[11]

They access these operations typically through internet or other web-technology channels.

From this ground, e-HRM has expanded to embrace the delivery of virtually all HR policies. Within the system of e-HRM, it is possible for margin managers to use desktop computers to organize and conduct appraisals, plan-training and development, evaluate labour costs, and examine indicators for turnover and absenteeism.

Employees can also use a system of e-HRM to plan their personal improvement, apply for promotion and new jobs, and access a range of information on HR policy. Systems of e-HRM are increasingly encouraged by dedicated software produced by private suppliers.

Types & Goals

On the basis of functionalities, we can divide e-HRM into three different levels or tiers.

- **Operational e-HRM** – It is about administrative functions like payroll and employee personal data. All the employee details are stored in the database and regularly updated.
- **Relational e-HRM** – It is about supporting business processes. This is done by means of selection, training, recruitment, performance management, career development of the employees and so forth.
- **Transformational e-HRM** – It is about strategic HR exercises such as knowledge management and strategic re-orientation. An organization may decide to pursue e-HRM policies from any number of these tiers to meet their HR goals.

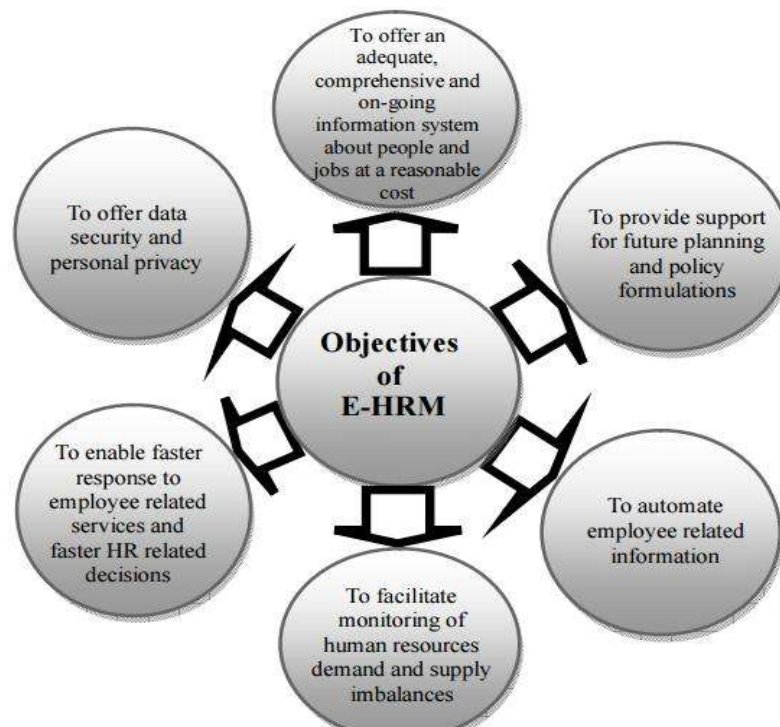


Fig.4: Objectives of e-HRM

e-HRM is seen as the potential to develop services to Human Resource department clients (both employees and management), develop efficiency and cost effectiveness within the HR department, and permit HR to become a strategic partner in achieving organizational goals.

In recruiting aspect, there a number of websites for recruiting of employees in industries. Some of the popular and important web sites in India are listed below:

- naukri.com
- indeedjobalert.com
- jobsahead.com
- monsterindia.com
- careerindia.com
- placementindia.com
- jobsearch.rediff.com
- bestjobsindia.in
- jobzing.com
- cybermediadice.com
- Careerjet.co.in

Our ATM transactions, automatic updating system, e-library, e-governance, all come under e-HRM. These are some of the examples showing e-HRM in India.

CHALLENGES FACED BY HRM

The paper reviewed several factors that should influence the future of Human Resource Management in organizations, including changes in the economy, globalization, domestic diversity, and technology. Following are some challenges that will affect the future of the field:

1) Rise in globalization:

Due to globalization, the Human resource managers are needed to play challenging roles and create competitive profitability for their concern. Global firms have to continually reorganize their function and refocus their energies around their crucial areas of competence. Organizations operating in a global environment face a number of new challenges including differences in language and culture of employees, etc.

2) Recruitment, Retention and Motivation:

This may be the most challenging issue that HR faces today. Human resource professionals anticipate that retaining the best employees will be the greatest HR challenge in 2022, according to a November 2012 poll by the Society for Human Resource Management. Predictions indicate there will be a lot of people looking for new jobs when the economy improves. Employers today have to find new methods to attract talent through social media, postings on job boards and even other traditional methods such as attending job fairs and sending out promotional mailings to generate interest.

3) Increased age and generational diversity:

Along with the aging workforce, there comes many new challenges for HR. For instance, given the shortage of skilled workers there is a growing concern about the retention of skilled freshers. One reason for this is that the freshers often have unique skills and abilities that are critical to organizational success. In order to retain these individuals, organizations will need to increase flexible work arrangements, allow part-time work, provide a supportive environment, and employ recognition systems to motivate them to stay with the organization.



Fig.5: Challenges in modern HRM

4) Competitors:

Competition in a special industry plays a very prominent role in the Human resource functions and activities. If many companies make job offers to one individual, the organization with more attractive terms and conditions will win. As the number of competitors increases, the importance of staffing function and compensation practices also increases. When due to competition, employees with particular skills will have to train their own employees through proper planning, training and development activities.

5) Political-Legal Factors:

The political-legal environment covers the impact of political institutions on the Human resource management department. All activities of Human resource management are in one way or the other affected by the factors. To be specific, Human resource planning, recruitment and selection, placement, training, salary,

employee relations and retirement are governed by the legal process.

6) Social and Cultural factors:

Social and Cultural factors represent another important concern affecting HR management. Social factors need to take into account equalities and diversity in particular. Even the culture is composed of the societal forces affecting the values, beliefs, and actions of a distinct group of people. Cultural differences certainly exist between nations, but significant cultural differences exist within countries also.

7) Privacy:

Privacy is always a sensitive matter for an HR manager. Though a company culture may be friendly and open and motivates employees to freely discuss personal details and lifestyles, the HR manager has an ethical obligation to keep such matters private. This specifically comes into play when the competing company calls for a reference on an employee. To remain ethical, HR managers must abide with the job-related details and leave out knowledge of an employee's personal life.

I. Conclusion

The main conclusion drawn from this study refer to the success of the strategic human resource that can contribute to the organization growth. The strategy must be aligning with the organizational objectives. It also refers to the key role exerted by knowledge-based HRM practices and innovation to the pivotal role of human capital in generating other types of knowledge resources and subsequent innovation. On the one hand, human capital partially mediates the relationships between knowledge-based HRM policies and practices. On the other, structural and relational capital fully mediate the relationship between human capital and innovation. There must be a clear task that will affect organizational efficiency. It is also a basic functions and skills that will be combining to develop a strategic human resource. Therefore, the organization can perform the task with excellent and thus can accomplish the organization's strategic objectives. The paper also recognizes that the practices should focus on the needs of employees and their families and go beyond the mere fulfilment of legal regulations. This would include training and development opportunities, career management, democracy in the workplace and employees' participation. It should also focus on social responsibility initiatives, observing the interests of internal and external participants and striving for short term efficiency and long-term sustainability. The study summarizes various conceptual and empirical findings, provides a clear definition of all HRM functions, identifies certain research gaps in the literature which synthesizes how HRM can contribute to the business strategy and its sustainability.

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