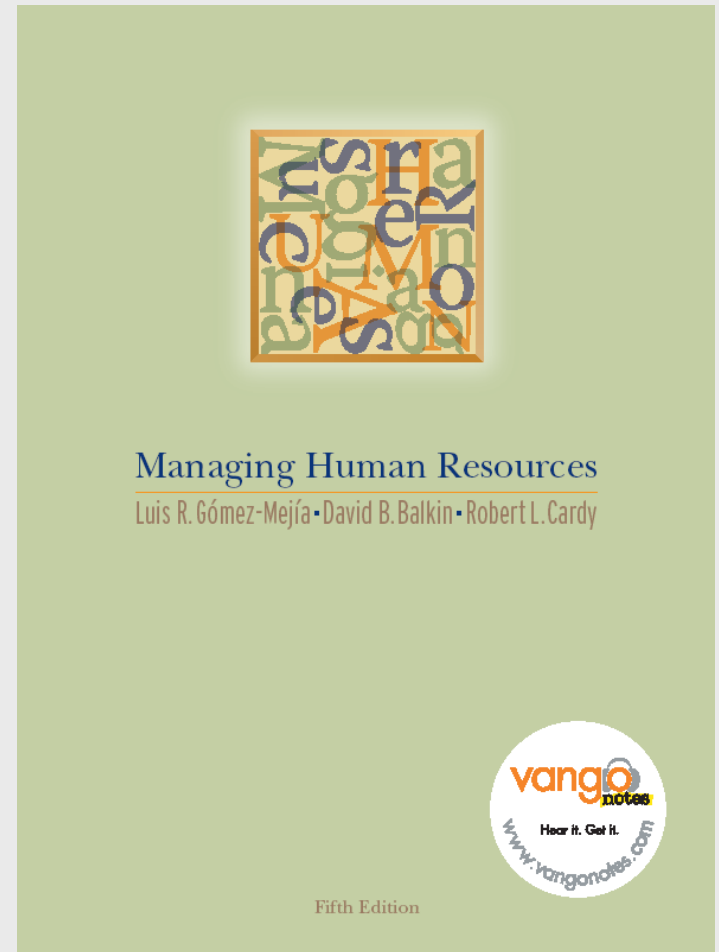


# Chapter 1

## Meeting Present and Emerging Strategic Human Resource Challenges



# Chapter 1 Overview

- Challenges Facing HR Management
- Planning and Implementing Strategic HR Policies
- Selecting HR Strategies to Increase Firm Performance
- The HR Department and Managers:  
An Important Partnership

# Key HR Challenges for Today's Managers

## **Environmental**

- **Rapid Change**
- **The Internet Revolution**
- **Workforce Diversity**
- **Globalization**
- **Legislation**
- **Work/Life Balance**
- **Skill Shortages and the Rise of the Service Sector**

# Key HR Challenges for Today's Managers

## Organizational

- **Competitive Position**
- **Decentralization**
- **Downsizing**
- **Organizational Restructuring**
- **Self-Managed Work Teams**
- **The Growth of Small Businesses**
- **Organizational Culture**
- **Technology**
- **Internal Security**
- **Outsourcing**

# Key HR Challenges for Today's Managers

## Individual

- **Matching People and Organizations**
- **Ethics and Social Responsibility**
- **Productivity**
- **Empowerment**
- **Brain Drain**
- **Job Insecurity**



# **Planning and Implementing Strategic HR Policies**

## **The Benefits of Strategic HR Planning**

- 1. Encouragement of Proactive Rather Than Reactive Behavior**
- 2. Explicit Communication of Company Goals**
- 3. Stimulation of Critical Thinking and Ongoing Examination of Assumptions**
- 4. Identification of Gaps Between Current Situation and Future Vision**
- 5. Encouragement of Line Managers' Participation**
- 6. Identification of HR Constraints and Opportunities**
- 7. Creation of Common Bonds**

# Planning and Implementing Strategic HR Policies

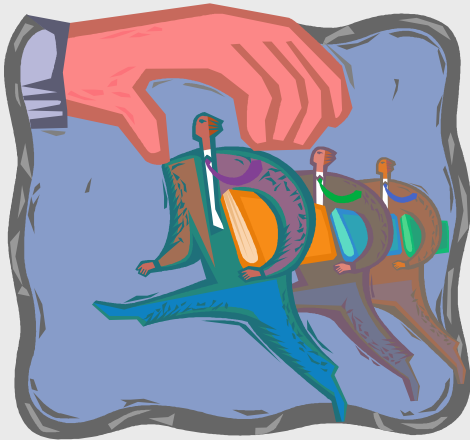
## **The Challenges of Strategic HR Planning**

- 1. Maintaining a Competitive Advantage**
- 2. Reinforce Overall Business Support**
- 3. Avoiding Excessive Concentration on Day-to-Day Problems**
- 4. Developing HR Strategies Suited to Unique Organizational Features**
- 5. Coping with the Environment**
- 6. Securing Management Commitment**
- 7. Translating the Strategic Plan into Action**
- 8. Combining Intended and Emergent Strategies**
- 9. Accommodating Change**

# Planning and Implementing Strategic HR Policies

## *Strategic HR Choices*

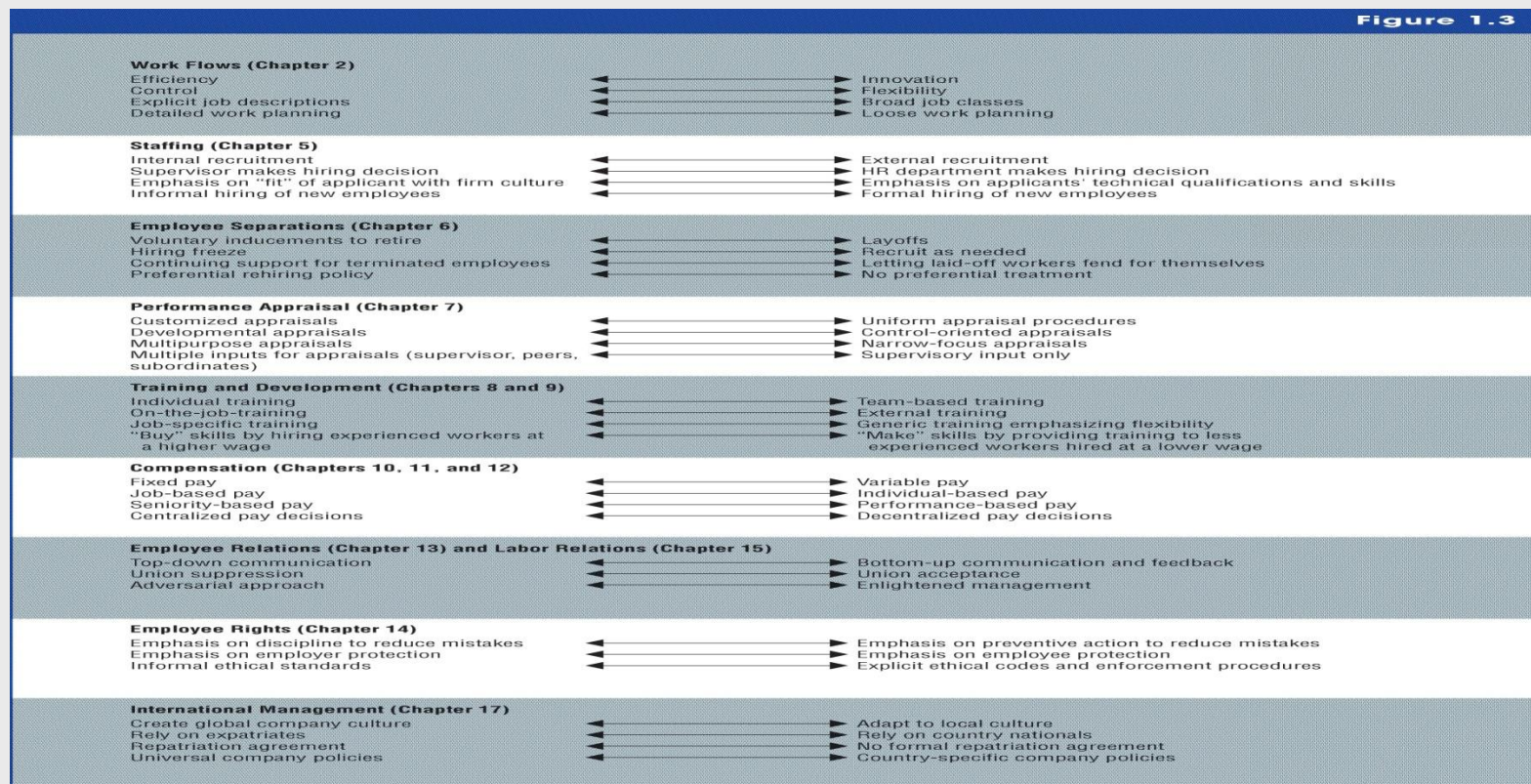
1. Work Flows
2. Staffing
3. Employee Separations
4. Performance Appraisal
5. Training & Career Development
6. Compensation
7. Employee Rights
8. Employee & Labor Relations
9. International Management





# Selecting HR Strategies to Increase Firm Performance

## Fit with Organizational Strategies



# Selecting HR Strategies to Increase Firm Performance

## *Fit with Organizational Strategies*

1. Corporate Strategies
2. Porter's Business Unit Strategies
3. Miles and Snow's Business Strategies

# Selecting HR Strategies to Increase Firm Performance

## *Fit with the Environment*

- Degree of Uncertainty
- Volatility
- Magnitude of Change
- Complexity



# Selecting HR Strategies to Increase Firm Performance

## *Fit with Organizational Characteristics*

1. The Production Process for Converting Inputs into Output
2. The Firm's Market Posture
3. The Firm's Overall Managerial Philosophy
4. The Firm's Organizational Structure
5. The Firm's Organizational Culture

# Selecting HR Strategies to Increase Firm Performance

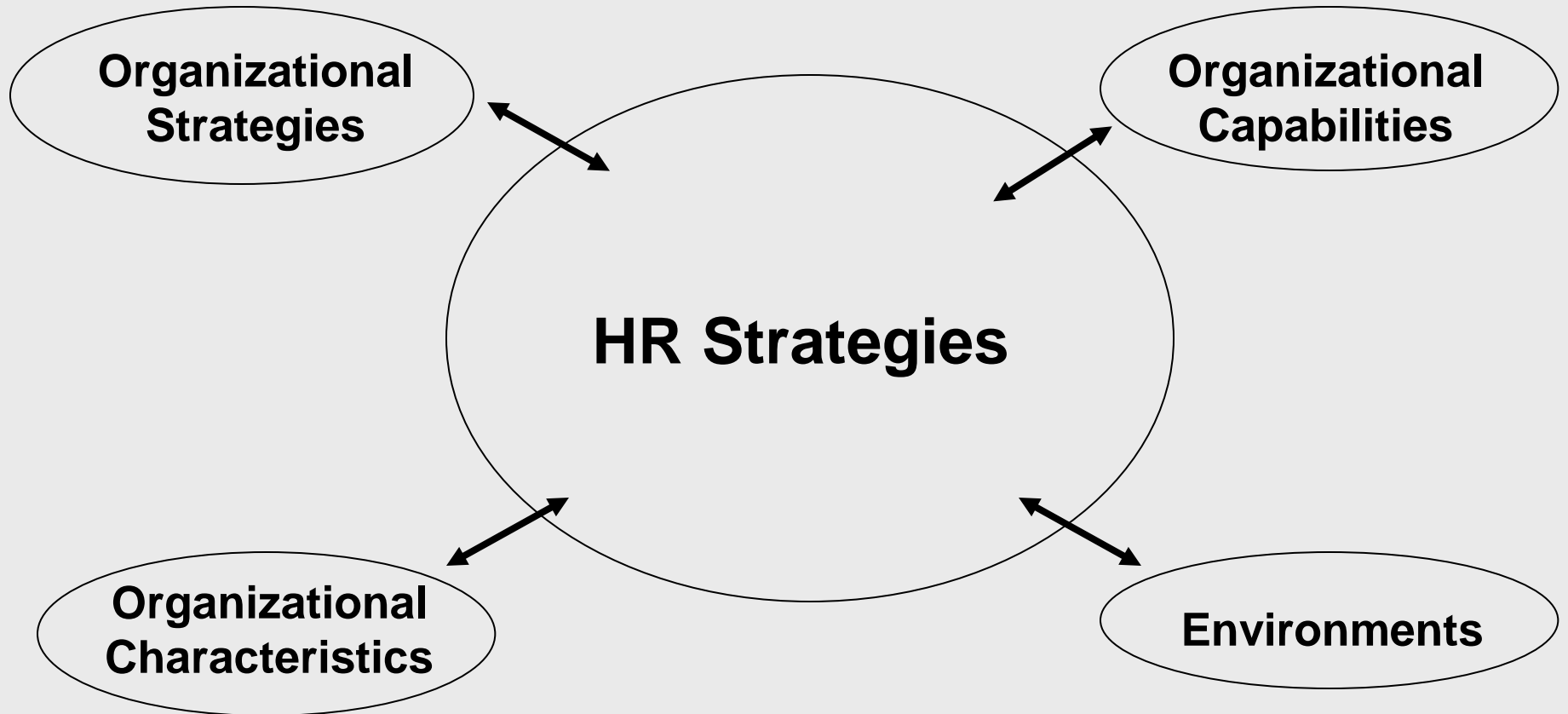


## *Fit with Organizational Capabilities*

- Distinctive Competencies

## *Choosing Consistent and Appropriate HR Tactics to Implement HR Strategies*

# HR Strategy Leads to Improved Organizational Performance



# The HR Department and Managers: An Important Partnership

## Key Competencies Required of HR Department to Become a Full Strategic Partner



- *Leadership*
- *Knowledge of Business*
- *HR Strategic Thinking*
- *Process Skills*
- *HR Technologies*

# LEADERSHIP

- Understand styles of leadership
- Display appropriate leadership
- Demonstrate leadership at all levels of performance – team, individual, unit, or organization





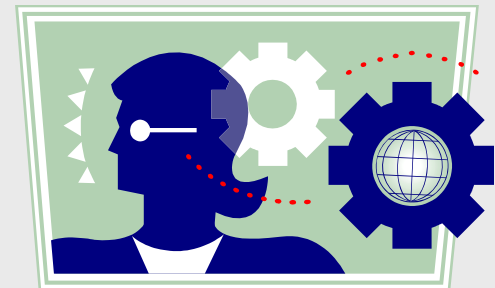
# **KNOWLEDGE OF BUSINESS**

**HR must understand...**

- **internal / external customers**
- **key business disciplines**
- **business structure, vision, values, goals, strategies, finances**
- **competitors, products, technology, and sources of competitive advantage**

# STRATEGIC THINKING

- **Understand strategic business planning**
- **Apply a systematic HR planning process**
- **Integrate HR systems to build capability and competitive advantage for the firm**
- **Develop and integrate department strategies within corporate framework**



# PROCESS SKILLS

- **Know management processes**
- **Know process skills: consulting, problem solving, evaluation, and communication**
- **Understand organizational development**
- **Facilitate and manage change**
- **Manage under uncertainty and instability**

# TECHNOLOGY

- **Maintain HR documentation using knowledge management and technology**
- **Build firm's capability using info systems**
- **Provide training in use of technology**



# Summary and Conclusions



1. Challenges in HRM
2. Plan and Implement Strategic HR Policies
3. Select HR Strategies That Increase Firms Performance
4. HR Department and Managers: The Importance of This Partnership