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Strategic HR for Leveraging organizational Effectiveness

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Abstract :

Business Strategies comprising of Vision mission and objectives are the driving forces for the organization, which directs and channelizes the business activities in certain direction with inclusivity of the employees and customer who are always at the helm of affairs. Therefore in today's competitive business environment, with an increased pressure on the companies to fulfill the stakeholders expectations, it is inevitable for the organization to synchronize the right set of Business strategies with the changing dynamics of the market. Strategic HR needs should endeavor to think more broadly than simply determining how to support hiring, developing employees, promoting policies and procedures, and managing risk. Human Resources, as the lead team for employee engagement efforts, can be the focal point for organizational alignment or engagement with purpose. When people connect to the purpose and the business strategies (vision, mission and objectives) behind the company's work, they perform at a higher level.

Keywords-HR Practices, Strategic HR, Vision & Mission, HR Policies

I. INTRODUCTION

Over the past thirty years, the area of strategic human resource management (SHRM) has grown rapidly. Since then, there has been a trend toward a strategic mindset that views employees as "assets" as opposed to "costs." These so-called "human resources" have been reconceived as a major source of competitive advantage. As a result, these assets had to be taken seriously, carefully chosen, trained, and developed, and most importantly, made to show dedication. The idea of "human capital" emerged, and in the decades that followed these changes, there has been an abundance of study output. A true vision cannot be communicated in a written statement that is stagnant. It must become a living, dynamic reality in the minds and hearts of the populace and their leaders.

II. OBJECTIVE OF THE STUDY:

1. To identify why it's so important for HR to align with business strategy.
2. To understand what role does HR plays in Strategic Planning.
3. To present contemporary trends of Strategic HR approaches in organizations.

III. RESEARCH METHODOLOGY

The research is based completely upon the secondary sources of data, which is exploratory related to the subject of the research. Sources of this research include e-journals, web portals and text books.

IV. REVIEW OF LITERATURE

The policies and procedures involved in carrying out the "human resource" aspects of a management position, such as human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labour relations, are referred to as human resource management (HRM). In order to keep the workforce motivated and get desired returns / expectations from them it is inevitable that the organization should have various HR practices. HR practices acts as a wheel which drives the organization to attain its objective and flourish in long run (**Dessler,2007**)

Today's business moves faster than ever—a it's phrase, but it's also true. In a digitally driven market, technologies, industries, and consumers themselves are constantly evolving, and companies are constantly shifting their strategic focus to keep up. This change culture has a significant impact on people. Every business decision has a real-world impact, and human resources departments are uniquely positioned to inform strategy and assist employees in navigating the resulting changes.

The managerial approach that mandates that human resources policies and procedures be tied to the strategic objectives of the business is known as strategic human resource management. The organisation must create relevant and successful strategies in order to carry out the job responsibilities properly and accomplish the desired goals and objectives. It is the process of developing a link between the human resource function and the organisational strategic objectives, with the main goal of enhancing job performance. (**Kapur & Radhika ,2020**)

The function of human resource management in boosting a company's performance and gaining a competitive edge in the market in which the firm operates is explained by strategic human resource management, which focuses on this role. (**Hamid et al., 2017**)

The goal of strategic human resource management is to support management in achieving excellence by assisting subordinates, giving them opportunity to improve their leadership skills, and helping them identify their potential. (**Wright & Mac Mahan, 1992**)

The major objective of using an organization's strategic goals is to obtain knowledge about those goals, and strategic human resource management assists in achieving that knowledge. is to uphold the organization's standards in terms of its goals and objectives. (**Storey, Jhon, Ulrich & Wright Patrick, 2019**)

V . CONSIDER THESE REASONS WHY IT'S SO IMPORTANT FOR HR TO ALIGN WITH BUSINESS STRATEGY:

- **Move in lockstep with the rest of the company:** When there is universal buy-in and alignment across teams, goals are always more attainable. HR plays key role in brining the different stake holders to pne platform by effective partnering and collaborative interventions.
- **HR initiatives a strategic focus:** There are numerous ways to recruit, train, attract, invest in, and support employees in today's changing economy. However, it is impossible to tackle every initiative at once. Aligning with business strategy provides HR with a strategic focus and aids in goal prioritization
- **Recruiting the right people & keeping them satisfied:** While good people are always valuable, businesses may need to invest in different skill sets or roles at different times. Understanding the business's strategic goals will assist HR in

attracting and retaining the right talent at the right time. Every goal and objective has an strategic linkage and synergy, therefore HR can emphasize on such KRA and KPI while designing the Job descriptions for recruiting the employees which are derived from the strategic objectives of the business. Employees with high job satisfaction tend to pursue the interests of the organization by paying more effort on the assigned tasks. Employee satisfaction is one of the important concerns in both organizational behavior and human resources management practice.

HR practices are pivotal for the employee satisfaction. In addition, human resource planning (HRP), and training and development (T&D) were found to have positive impact on job satisfaction. For creating the highly committed workforce within the organization HR practice should be comprised of intrinsic rewards. These rewards triggers sense of delivering best performance and efforts by the employees.

Apart from competitiveness and productivity, the most important aspects of performance are efficiency and effectiveness. In addition, the practices of Human Resource are supportive in developing the knowledge as well as skills as a method to increase employees' performance (efficiency as well as effectiveness).

An organization can get high growth output with the use of the best Human Resource practices. Recent works in management assume that only human resources can provide the desired competitive advantage.

VI. ROLE OF HR IN STRATEGIC PLANNING FOR ORGANIZATIONAL EFFECTIVENESS

What steps must HR take to integrate into the larger company decision-making process? How can HR departments transition from a reactive, service-oriented role to a more strategic, executive-level one? Setting distinct departmental goals and firm organisational values is the first step. Companies with established values are less prone to overlook how major decisions or changes in strategy may affect the actual world. As you start, keep these points in mind.

1. Align and set your HR goals

(Amin, 2015) looked into how aligning company strategies with human resources will affect key performance metrics and discovered some benefits for both the key financial performance indicators and employee satisfaction from different HR and business strategies. A model for human resource strategy that is consistent with company strategies, culture, and organisational structure was established by (Abbasi et, 2017). He gave an explanation of how business strategy followed conservative type, organisational structure followed mechanical type, organisational culture followed mission type, and finally the contractual human resources strategy followed contractual type. Scenarios that the corporation may employ were described in order to build human resources strategies that are in line with business strategies, organisational structure, and culture.

2. Organizational structure

(Gholam Ahmady, Maryam Mehrpour, and Aghdas Nikooravesh 2016), elucidated that the expression of systematic thought is the conceptualization of organisational structure. The structure of the organisation is made up of the elements, their relationships, and the structure as a whole. The existence philosophy of organisational activity is formed by the high combination of relationships between organisational parts. A systematic examination of organisation and structure reveals that it is made up of hard and soft elements on opposite sides. Structures were developed by organisations to manage member performance and coordinate work factors. The strategic goals and stages of growth that a company is currently pursuing heavily influence how it is structured. A company may have a sales-driven culture with more sales staff and sales executives in decision-making roles if it is in a high-growth stage. More customer success positions might be filled by mature businesses with a retention-focused approach. (aihr.com)

Strategic HR should to harmonize the organizational structure as per the business plan. The heads of the functions should empower their team for executing the work. Also, each person in the structure should have their clear cut pre-defined roles & responsibilities. Often it is seen that in most of organization there are conflicts due to role clash with each other. Therefore Strategic HR should look to minimize these conflicts which can also be potential reason for hostile attitude of employees with each other.

3. Employee compensation

A company's pay structure aspects, such as wages, salaries, perks, and total payout conditions, are all included in a compensation package, commonly referred to as a "total compensation plan." Fringe perks, union incentives, or vendor discounts supplied by the business are all included in employee pay plans. There are many different success measures to consider and hundreds of aspects to examine when creating a comprehensive CEO compensation plan. With a thoughtful compensation approach, your business will be able to attract top people and better motivate them. A solid compensation plan could mean the difference between a business's long-term development and a string of failures and below-average performance.

Your organisation must develop a culture-based pay strategy in order to successfully recruit and retain talent and accomplish its objectives. On the one hand, the standards you apply to employee compensation might draw attention to the kinds of actions and output you want to promote. Your organisational culture will subsequently become stronger (or weaker) as a result. On the other side, the kind of culture you want to foster within your company will affect how you decide on things like pay raises, L&D opportunities, or even specialized non-financial incentives.

4. Employee development

(Walters, Kelley, and Joel, Rodriguez, 2017) asserted that, Employee performance affects an organization's financial line,]Because of this, it is the duty of organisational leaders to understand the significance of training and development's impact on employee performance and evaluation. Employee development helps the company and its employees achieve a variety of objectives, including enhancing morale, a sense of security, employee engagement, and the general abilities required to carry out a certain job. Leaders of organisations should also apply systematic methods for evaluating employee performance, the results of which are typically based on criteria related to the individual, the organisation, the environment, motivation, skill level, aptitudes, or role perceptions. Employees will be able to support the organisation with the right training and development opportunities and employee performance assessment techniques, employees will be capable of assisting the organization in achieving its competitive posture in today's global market. ([reviewsnap.com](#))

5. Performance reviews

Taylor stated that your team needs a straightforward and obvious connection between corporate goals and day-to-day projects in an essay that was published in Review Snap. It is far more difficult to encourage greater performance without this connection between their work and the company's missions. However, by tracking employee alignment and identifying strategies to boost that relationship's value to the firm, you'll be able to measure employee engagement through their (ideally) more frequent performance appraisals. You may integrate your team with the overall business strategy when you strategically decide to track the effects of linking people to organisational goals through performance reviews. ([reviewsnap.com](#))

6. Change management

HR frequently has the best sense of employee sentiment throughout the entire firm because it is a people-focused division. Therefore, it stands to reason that HR may serve as powerful change agents and champions when putting corporate strategy into practise, designing a framework for employee success. To make sure that any adjustments or strategic shifts make sense from an operational standpoint, HR departments should urge employees to provide their opinion on new company strategies or technology investments.

VII Formulate specific actions to hit those goals

The next step is to create action plans to carry out your HR strategic vision after you have aligned and set goals. Put your attention on creating and enhancing the procedures for hiring, developing employees, and conducting performance evaluations.

Understanding your organization's current structure and identifying any gaps or inadequacies in your procedures are critical when developing an optimised action plan. Where should you focus your recruitment efforts more? What training or employee development initiatives should be put in place if funds are limited to ensure that your current talent is as productive and useful as possible? How many sales representatives does HR need to hire for a particular region? HR

departments may better align personnel with corporate strategy, increase efficiency, and make more informed decisions by being able to see how each player fits into the overall organization by;

- Making informed decisions about pay, equity, and performance
- Modeling current and future org structures to determine how best to scale your business
- Recognizing organization needs to hire new talent to meet its strategic goals? See how to develop a staffing plan.

VIII Conclusion

The effectiveness of the HR function and its impact on financial performance are just now being studied by academics. HR executives must demonstrate how their actions have an impact on the bottom line in order to receive the resources necessary to increase efficiency. Without this support, a lot of these SHRM operations might be contracted out to other groups. The study's findings are consistent with the idea that different organisations undertake SHRM activities differently and that better SHRM effectiveness positively correlates with organisational success. It's also possible that organisations that perform well simply have more resources to invest in their HR operations. According to **Baird and Meshoulam,(1988)** human resource management research has expanded from a micro (i.e. individual effectiveness focus) to a macro (i.e. organisational effectiveness focus) or strategic approach as a result of strategic management's interest in examining the role of human resources as value-added.

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