



## **To Study Strategic Human Resource Management in Vadodara HR Professionals**

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### **ABSTRACT**

This research investigates the landscape of Strategic Human Resource Management (SHRM) among HR professionals in Vadodara, focusing on its evolution, challenges, and impact on organizational performance. Through a comprehensive literature review, the study emphasizes SHRM's role in aligning HR practices with business objectives. Surveys and interviews conducted with a predominantly male workforce young aged, primarily in the manufacturing sector, reveal high competency levels in strategic HR practices, albeit with identified areas for improvement. While HR departments are perceived positively in strategic alignment, there's a call for enhanced communication consistency. Recommendations highlight the need for HR managers to proactively engage in strategic decision-making, embrace technological advancements, and deepen their understanding of business dynamics. This study underscores SHRM's pivotal role in driving organizational growth and competitiveness, urging HR professionals to transcend administrative roles and foster strategic partnerships within their organizations.

**Key Words:** Strategic human resource management, HR, organizations, HRM, managers, business, Training and Development, skill, employees, Globalization.

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### **INTRODUCTION**

#### **WHAT IS STRATEGIC HUMAN RESOURCE MANAGEMENT?**

Strategic Human Resources Management (SHRM) is a dynamic process that assists organizations in harmonizing their HR initiatives with overarching business strategies. Diverging from conventional HR approaches, SHRM concentrates on leveraging employee capabilities to propel organizational objectives, rather than merely overseeing day-to-day personnel matters. The essence of SHRM lies in comprehending an organization's business objectives, then crafting and executing HR initiatives that seamlessly complement these objectives.

Numerous examples exemplify SHRM practices:

Performance Management: Constructing robust frameworks to evaluate and enhance employee performance.

Training and Development: Identifying individual development needs and furnishing tailored training and resources for skill augmentation.

Compensation and Benefits: Formulating incentive structures and benefits packages that incentivize employee retention and engagement.

#### **Objectives of SHRM -**

Strategic Human Resource Management flourishes primarily within organizations that possess clear and explicit corporate or business strategies. Without a defined corporate ideology, SHRM cannot effectively exist. In such organizations, HR tends to operate in a traditional management capacity, fulfilling service-oriented roles without actively engaging in strategic business concerns. The successful implementation of SHRM can be performed only in the case of strategic alignment of HR Practices. Therefore, the primary objectives of SHRM include:

- To frame and fix the goals and objectives of the organization with respect to human resource
- To ascertain the strategic prerequisites of organization & their application
- To establish the applicable & appropriate compensation scheme for the workforce
- To fix the performance assessment method & its benchmarks
- To recognize the relationships amidst the diverse departments & ascertaining their obligations & tasks

**Definition:**

“The determination of the basic long-term goals & objectives of an enterprise and the adoption of the course of action and the allocation of resources necessary for carrying out these goals”.

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**WHY IS STRATEGIC HUMAN RESOURCE MANAGEMENT IMPORTANT?**

Strategic Human Resources Management (SHRM) holds significant importance for organizations as it facilitates goal achievement through the alignment of HR programs and policies with the overarching business strategy. This alignment not only enhances employee performance but also fosters workforce development and cultivates a positive work environment. Additionally, SHRM contributes to cost savings by reducing turnover and boosting productivity.

Key benefits of SHRM include:

**Enhancing employee performance:** SHRM enables organizations to improve employee performance by implementing systems designed to measure and enhance productivity.

**Facilitating workforce development:** SHRM assists in workforce development by identifying individual development needs and offering relevant training and resources to support employee growth.

**Cultivating a positive work culture:** Through effective management of employee relations, SHRM contributes to the creation of a positive work culture, promoting collaboration and employee satisfaction.

**Reducing turnover:** By designing compensation and benefits programs that incentivize and retain employees, SHRM helps organizations reduce turnover rates and maintain a stable workforce.

**Boosting productivity:** By improving employee performance and fostering a positive work environment, SHRM ultimately increases overall productivity within the organization.

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**THE CONCEPT OF STRATEGIC MANAGEMENT**

Strategic Human Resource Management (SHRM) is a methodology for human resource management that prioritizes the alignment of HR practices with the strategic objectives of the organization. It involves acknowledging employees as a crucial strategic asset and harnessing HR initiatives to amplify organizational performance and competitive advantage. SHRM underscores the importance of long-term planning, employee development, talent management, and the use of metrics to gauge the efficacy of HR strategies. Through the integration of HR practices with business strategy, SHRM endeavors to cultivate a work environment conducive to employee engagement, innovation, and overall organizational prosperity.

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**TRADITIONAL HRM Vs SHRM -**

The globalization of business has underscored the necessity to identify and dismantle pathways through which organizations can operate effectively both presently and in the future. Therefore, for companies seeking methods to gain a competitive edge, the consequences of strategic human resource (HR) decisions on organizational performance are undoubtedly pivotal. Traditional human resource management falls short in ensuring this; hence it is imperative to examine Strategic Human Resource Management (SHRM).

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**STRATEGIC HUMAN RESOURCE MANAGEMENT: A NEW TREND**

Strategic human resource management (SHRM) is a process that helps organizations achieve their goals by better managing their workforce. SHRM involves aligning HR practices with the business strategy, integrating HR functions with other departments, and developing HR policies that support organizational performance. SHRM is not a new concept, but it has gained more importance and attention in recent years due to the changing and challenging business environment. Some of the factors that have increased the need for SHRM are:

**Technological innovations** – new technologies such as artificial intelligence, automation, and cloud computing have transformed the way work is done and the skills required for it.

**Globalization** – the expansion of markets, customers, suppliers, and competitors across the world has increased the complexity and diversity of the business operations and workforce.

**Demographic shifts** – the changes in the age, gender, ethnicity, education, and preferences of the workforce have created new challenges and opportunities for attracting, retaining, and engaging talent.

**Legal regulations** – the changes in the laws and policies that affect the employment relationship and rights of the workers have increased the compliance and ethical risks for the organization.

**Social trends** – the changes in the social norms and values that influence the behaviors and attitudes of the stakeholders have increased the pressure and responsibility for the organization to act as a good corporate citizen.

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## REVIEW OF LITERATURE

In a study by Shukla and Tripathi (2009), it was emphasized that promoting research in Strategic Human Resource Management serves to establish India's presence on the global stage. It underscores the significance of reviewing existing literature, both from foreign and Indian studies, to lay a strong foundation for further research endeavors. A literature review serves dual objectives: firstly, to gain insights into the existing body of knowledge in the field, and secondly, to inform the formulation of valid research methodologies, objectives, and research questions.

Randall S. Schuler's 1992 work "Strategic Human Resource Management: Linking People with the Strategic Needs of the Business" emphasizes the alignment of human resources with the strategic requirements of the organization. Effective human resources management is evolving beyond traditional personnel practices to encompass strategic human resources management (SHRM). At its core, SHRM involves aligning HR activities with strategic business needs. However, this alignment can become complex when considering the multitude of HR activities labeled as "strategic." In this article, the author introduces a "Five-P" model aimed at aligning HR philosophy, policies, practices, programs, and processes with business requirements. Through the adoption of this model, companies like Grand Union, Pepsi-Cola International, and the Forest Products Company have effectively synchronized their HR practices to accomplish strategic objectives.

Sriman Narayan (2010) found that HR managers are mainly playing the roles of administrative expert and employee champion, and they may play the roles of strategic partner and change agent in the future by aligning the human resource function with strategic management. He also observed that the strategic partner role is the least prioritized due to the inadequate involvement of HR managers in the business strategy process.

Organizations can also gain competitive advantage by adopting Strategic Human Resource Management. The competitive advantage model suggests that employers have three basic strategic options to gain competitive advantages: cost reduction, quality improvement and innovation (Waiganjo, Mukulu & Kahiri, 2012).

In Ajayi, S. O.'s (2015) paper titled "Transforming HR to a Strategic Business Partner: Meaning, Required Competencies; Mindset; Challenges and Prospects," the central theme revolves around the evolution of Human Resources (HR) into a strategic business partner role. The article emphasizes the significance of delineating a well-defined Strategic Business Partner (SBP) role, alongside ensuring proficient execution of operational HR functions, to enhance HR's stature within strategic management circles. Over the past two decades, the HR landscape has witnessed substantial transformations, marked by the widespread adoption of terms like "business partner" and "getting a seat at the table." Achieving recognition as a business partner necessitates HR practitioners possessing a diverse skill set and knowledge encompassing areas such as Human Resources, Organization Development, business acumen, and global awareness. Moreover, active collaboration with other business functions is imperative. Nevertheless, transitioning to an SBP model presents its share of challenges, as organizations commonly encounter tensions when transitioning from their existing HR framework to embracing the SBP approach.

In N. Geethanjali's 2023 study, "Application of Strategic Human Resource Management Models for Organizational Performance," the focus is on the integration of Strategic Human Resource Management (SHRM) into modern organizational management practices. This integration is seen as a progression beyond traditional HR methods, which primarily concentrate on operational aspects and employee relations. Unlike conventional approaches, Strategic Human Resource Management (SHRM) recognizes the pivotal role of employees as critical assets and seeks to align HR practices with

organizational objectives. This approach prioritizes long-term planning, proactive decision-making, and robust alignment between HR strategies and corporate goals. SHRM encompasses all activities that influence individual behavior to formulate and execute the strategic requirements of the business. It involves deliberate human resource deployments and activities aimed at facilitating the attainment of organizational goals.

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## RESEARCH METHODOLOGY

### STATEMENT OF THE PROBLEM

Strategic human resource management (SHRM) is a process of aligning the human resource practices with the business objectives and goals. However, many HR professionals face challenges in implementing SHRM effectively due to various factors, such as lack of support from top management, inadequate skills and knowledge, resistance to change, and poor performance evaluation systems. Therefore, this study aims to explore the factors that influence the SHRM implementation by HR professionals and to propose solutions to overcome the barriers and enhance the SHRM effectiveness

### RESEARCH OBJECTIVES

The study seeks to comprehend and analyze Strategic Human Resource Management (SHRM) in the present context and its influence on organizational performance, as perceived by HR professionals in Vadodara. The study aims to achieve the following objectives:

- Investigate the evolution and expansion of Strategic Human Resource Management.
- Analyze the shift in HR functions from conventional practices to strategic HR practices.
- Explore the extent to which HR managers undertake strategic roles.
- Assess the perceptions of HR professionals regarding Strategic Recruitment and Selection practices.

### TOLL FOR DATA COLLECTION

Primary Data: Primary data collection involved administering a structured questionnaire and conducting interviews with HR Professionals.

Secondary Data: Secondary data sources include information gathered from various National and International Journals, Working papers, Theses, Newspapers, Books, and various websites.

### RESEARCH DESIGN

The study utilizes a descriptive research design to examine the Strategic Human Resource Management practices among HR professionals in Vadodara.

### SAMPLE SIZE

In the present study researchers selected 30 respondents.

### UNIVERSE OF THE STUDY

In this study the population consists of HR professionals in Vadodara district, Gujarat.

### SAMPLING METHOD

The sampling technique employed for the study was Snowball Sampling.

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## FINDINGS

- **Demographics:** Most HR professionals surveyed are male, aged 26-35, holding post-graduate qualifications, and employed mainly in the manufacturing sector. Experience levels range from 1-10 years.
- **Self-Perceived Competency:** HR professionals generally rate themselves highly in strategic HR practices, including understanding business strategy, creating competitive advantages, and aligning HR strategies with business objectives. However, there's recognition of areas for improvement, particularly in decision-making variability and effectiveness in certain scenarios.
- **HR Department Effectiveness:** Respondents generally perceive HR departments positively in connecting human capital issues to business strategy, maintaining credibility, and supporting strategy implementation. However, there are some areas for improvement, such as consistency in communication and provision of opportunities for employees.
- **Facilitation and Change Management:** HR professionals often act as facilitators in policy framing and demonstrate a strong understanding of business strategy and personnel skills alignment. There's a general inclination towards adopting changes in organizational culture for better results, work-life balance, and stress reduction among employees.
- **Meeting Executive Goals:** HR professionals generally rate highly in meeting top executives' goals by implementing new technology and ensuring compliance with government laws and regulations.

Overall, the findings suggest a competent and proactive HR workforce, with a strong emphasis on strategic alignment, continuous improvement, and adaptability to changing organizational needs. Areas for improvement primarily revolve around consistency in communication, enhancing effectiveness in certain strategic scenarios, and ensuring equitable opportunities for employees.

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## CONCLUSION

In the contemporary business landscape, Human Resource Management (HRM) stands as a pivotal force driving the growth, development, and resilience of organizations. Beyond addressing day-to-day operations, HRM strategically contributes to optimizing the return on investment for businesses. It involves overseeing the evolution of business processes and aligning organizational systems, structures, and policies to enhance competitiveness in today's dynamic business environment. Current emphasis is placed on orchestrating HR functions and policies to cultivate a distinctive workforce capable of driving the organization towards unprecedented levels of growth and sustainability.

The role of HRM in today's context is shaped by various factors, including organizational size, industry sector, and operational dynamics. Moving away from the traditional perception of HRM as primarily administrative, its transition towards a more strategic role requires both organizational acknowledgment of HR's value and HR's proactive engagement beyond routine administrative tasks.

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