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Y Drindod Dewi Sant
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Human Resource Management in Context

Learning Outcome Three: How organisational and HR strategies are shaped by and developed in response to internal and external environmental factors.

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Assignment

- 2000 (+/- 10%) words – Optional way to split word count:
 - Introduction/conclusion 600-700
 - Main body 1300-1400
- Example on Moodle is for 4000 however some pointers below:
- Introduction – An introduction which includes a critical examination of the 'PESTLE' tool as a way of analysing the managerial and business environment for the purpose of strategic planning.
- Main body- intro and then an analysis of your two factors from PESTLE
- Conclusion: A conclusion and set of recommendations relating to future corporate and HR strategy.



PEST/PESTLE/STEEPLE

- Extension of PESTLE to include Ethical
- **Socio-cultural**- demographic trends and population projections
- **Technological** - one of the most visible forms of change
- **Economic** - the overall economic climate determines business opportunities
- **Environmental** – Refers to the protection of the environment and the growing importance of green issues.
- **Political** – Organisations have to be aware of and respond to public policy and use these to develop appropriate strategic responses.
- **Legal** – Highlights the continual need to take account of and act on regulatory developments.
- **Ethical** – these determine what is correct and what is not, morality, integrity and behavior towards society.

Globalisation

Steger (2019):

‘the term is commonly used in different ways, in both the academic literature and the popular press to describe a process, a condition, a system, a force and an age’

Different writers use the term in different ways:

- 1- describe greater levels of international exchange, i.e. moving across national borders
2. Others label it internationalism or transnationalism arguing that globalisation involves taking a step further. It is the extent to which we observe greater integration of economic, political, social and cultural activities across national borders.

Process of Environmental Analysis

4 Analytical Stages:

1. Scanning the environment
2. Monitoring environmental trends
3. Forecasting the future direction of contextual changes
4. Assessing current and future contextual changes for their organisational implications.



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Techniques of external analysis

Forecasting

Transforming data to provide answers

They verify hunches

Analysis creates pathways for the future

Delphi Forecasting

number of experts to analyse specific aspects of current and future context

Each expert makes predictions, then review content

review of predictions may take several months

Cross-impact matrices

systematic approach to identify chains of effects among several forecasting elements

when one environmental phenomenon being forecast affects the likelihood or timing of another

set of events that are forecast to happen within a specified time period.

Scenarios

hypothetical descriptions of sequences of future events and trends

typically includes trends, patterns etc. in current environment and dynamic leading to future

allow them to assess the risks and implications of environmental change.



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Outline how you would carry out an environmental analysis of your organisation. What data would you need and how would you get that data?

How does HR impact organisational strategy?

HR's actions and how they are perceived to the wider organisation impacts the delivery and impact a strategy can have.

Use of predictive analytics in HRM is one of the next major developments according to S. Taylor and G. Perkins.

HR metrics can help analyse and predict trends in areas such as performance management and staff turnover.

The aim is to make rational inferences about the future using historical data, statistical techniques used to analyse patterns and provide evidence on which to make HR decisions.



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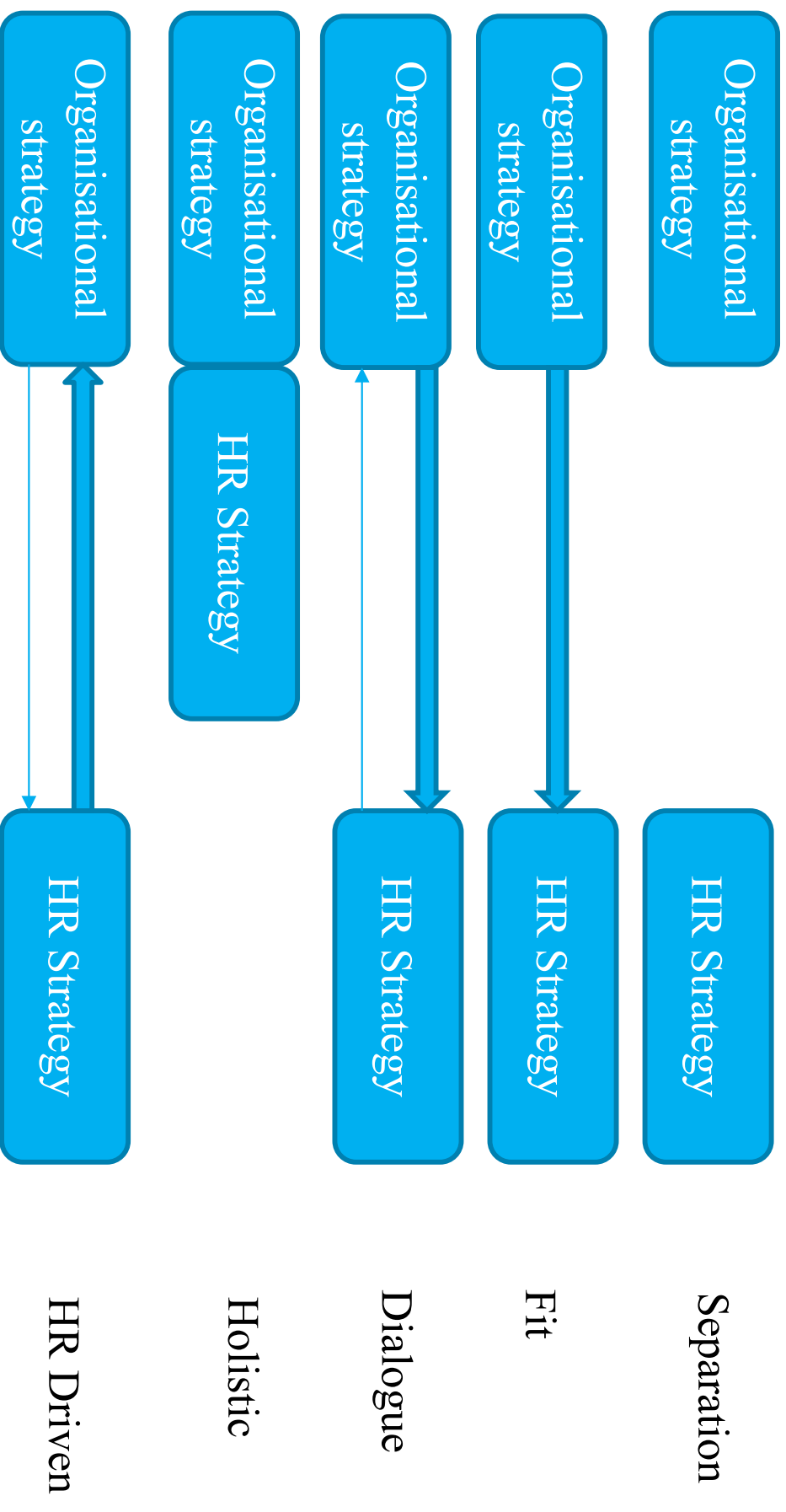
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Strategy and HRM

Boxall and Purcell (2011)

‘improving the process of strategic management has a lot to do with HRM, since making the strategy decisions involves making HR decisions’

Relationships between organisational strategy and HR Strategy



The evolution of HR strategy

The Person-Job Fit stage

- Strategic goal that people fitted with their jobs
- Changed with the growth of free markets and greater global competition.

The Systematic Fit stage

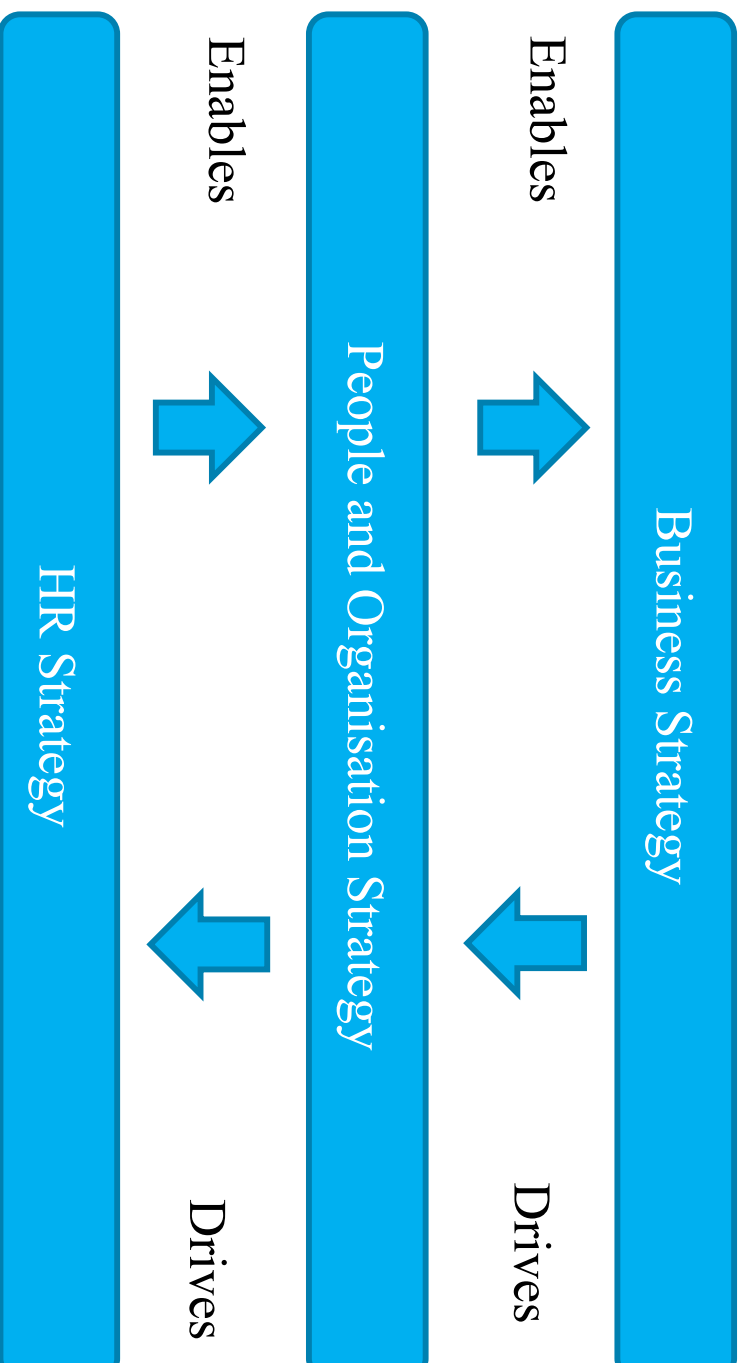
- The concept of HR strategy was first conceived and was identified as the pattern of planned HR deployments and activities adding value

The Value Creation stage

- The strategic drivers of HR strategy are innovation and change and outsourcing and alliances.
- HR evolves to make strategic decisions around talent.

People and Organisation strategy versus HR Strategy

(Peter Cheese)



Main approaches to HR Strategy

BEST PRACTICE

BEST FIT

RESOURCE BASED
VIEW

Best Practice Models

There are variations between the models as shown in the Farnham book.

Best Practice can be duplicated and copied in all organisations and results will be duplicated.

Various models believe in a set of practices which are all needed to achieve competitive advantage.

Everything you do should be asking how does this activity add value



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- Must have an understanding of the organisation- how the departments are working together
- Need to understand stakeholder groups
- Two way communication
- Some argue there are elements of best practice across HR for example what good recruitment and selection looks like
- Criticisms advise there may be different examples of best practice sometimes referred to good practice instead



Best-Fit

- 4 stage life cycle – Start up, Growth, Maturity, Decline
- HR Practice needs to reflect this cycle
- External and Internal Fit
- HR Strategy is tailored to the relevant stage it is at
- HR needs to think about what skills/behaviors are needed to achieve the goals
- If not tailored correctly then the HR strategy will not align with the organisational strategy which may prevent organisational success.

[Best Practice vs Best Fit](#) – Linked in



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Resource Based View

- Also referred to as RBV
- Internally focused
- Rely on tangible (physical resources) and intangible sources (non physical and cannot be purchased on the open market) that create value
- They achieve a competitive advantage through exploiting internal capabilities rather than external factors
- Key components to success: Inimitability, Durability, Appropriability, Substitutability and Competitive Superiority.



Examine which model applies to your organisation and why? Should it use a different model if so; why?

HR Strategy and HR Solutions

- Distinction between managing the workforce and the HR function
- Concept of developing and implementing a 'workforce strategy' appears to be an emerging organising principle for strategic HRM (Farnham).
- Strategic Workforce planning
- [The Economist 2020](#) article – highlighting how organisations have never needed a hard-headed HR boss as much as they do now.

Question:

Is your HR department ready to lead the way ? Is the HR strategy linked with the overall organisational goals? Does HR have a seat at the top table?.

If not why?

Scenario review – Q&A