

Human Resource Management: A Case Study Approach

People and Human Resources Strategies

Dr. David Griffiths

MBA HRM

Lecture outline

- Creating, or reviewing, a strategy for *people* management and development in an organisation
- Creating, or reviewing, a strategy for the HR function

Learning objectives

- To explain the basics of strategy formulation
- To identify the factors that have to be considered to create/revise a strategy for people management
- To explain the steps to be taken to develop a people management strategy
- To list the factors that have to be considered in building a strategy for the HR function

Building a people strategy

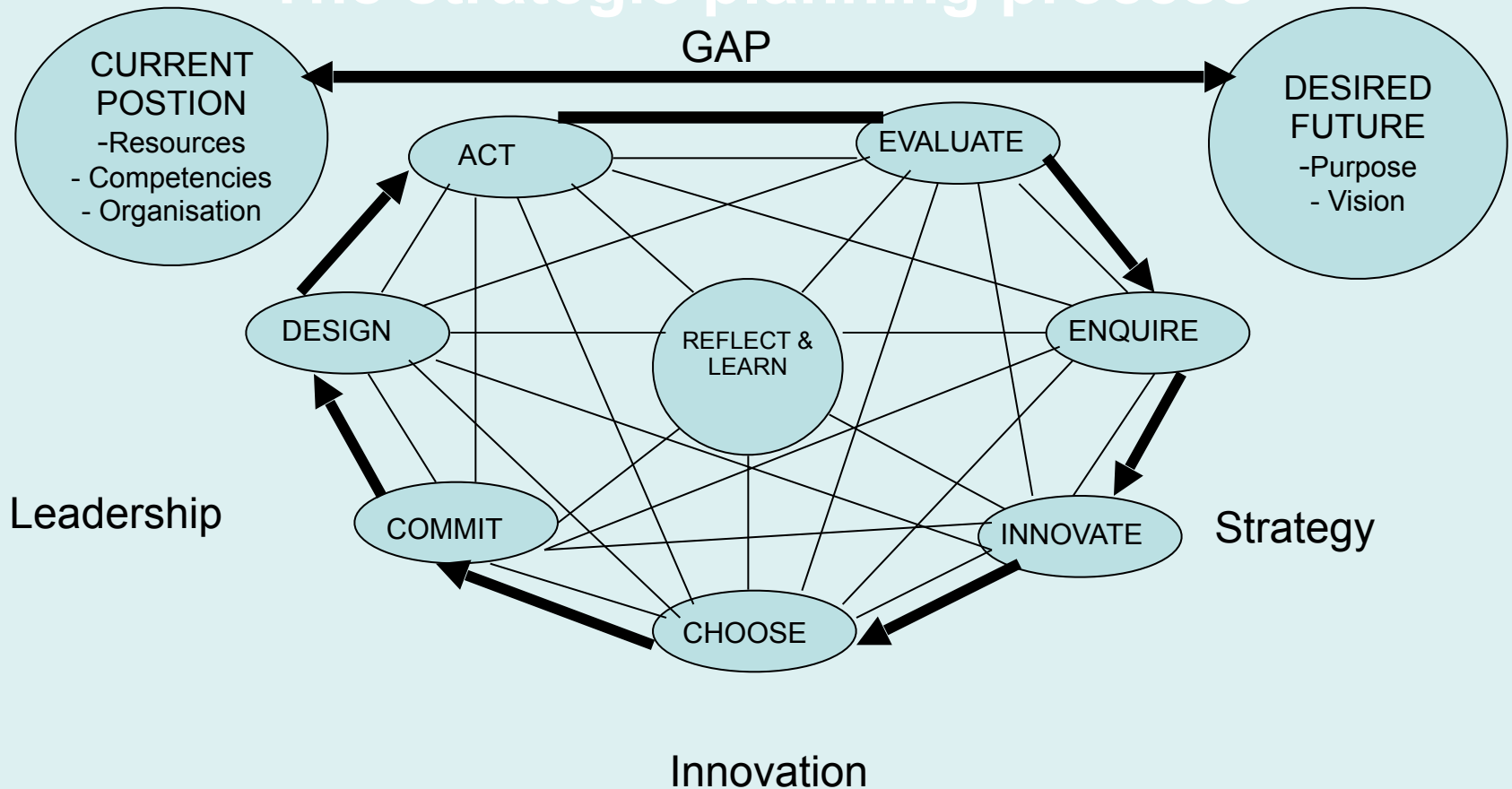
- Strategies are the routes taken to achieve goals
- Strategies support and are supported by an organisation's mission, vision, goals, targets, values, policies and plans
- A supporting HR strategy must be driven by the business strategy rather than individual beliefs or good practice

Why do we want a written strategy?

- To fully consider the purpose and the audience
- As demanded by an internal process or by external 'masters'
- As a communication vehicle
- As a means to seek endorsement and resources
- To provide visibility and credibility

Tools for creating a strategy

The strategic planning process



Tools for creating a strategy

- The first step is to formulate the strategic options
 - Evaluate the situation
 - Research and analyse
 - Be creative
 - Break away from the past
- PEST looks to the external environment
- SWOT looks at internal capabilities

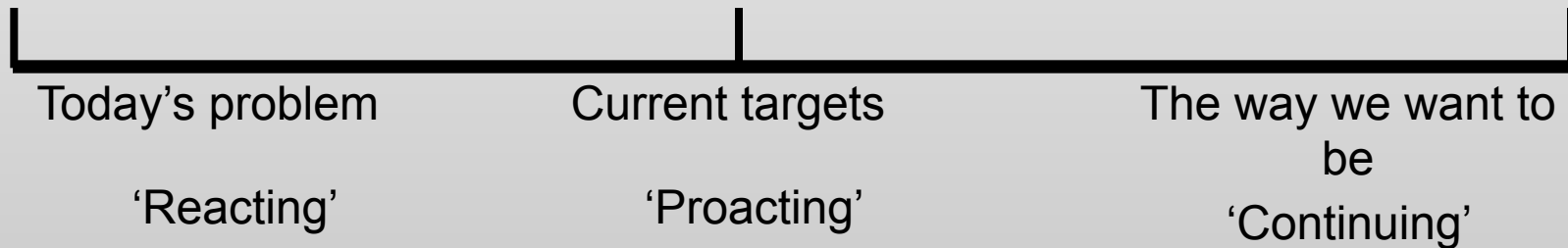
A model for deciding a people strategy



- To build a people strategy consider the 5P HR framework
 - Principles
 - Policies
 - Programmes
 - Populations
 - Processes
- Consider external factors (PEST)
- Consider internal issues (SWOT)
- Consider HR professional practice – would it benefit OUR business?

- Think about the implications of values, principles and beliefs on:
 - Organisation
 - Culture
 - Rewards
 - Recognition
 - Communications
 - Employee relations
 - Resourcing
 - General HR policies
 - Learning and development

Strategies can be used to support different levels of issue with different time-scales



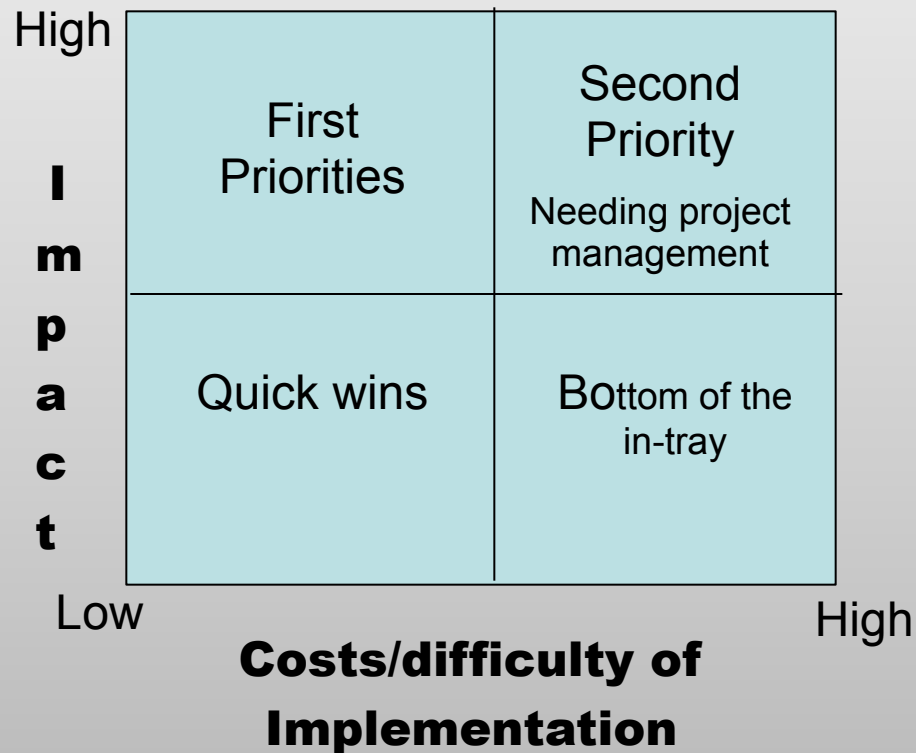
The 'continuing' people strategy

- The factors in the continuing people strategy are:
 - Vision and values of the organisation
 - Belief and principles regarding people management and development
 - Long-term business goals and strategies
 - Core competencies of the organisation
 - General external factors

The 'proacting' and 'reacting' people strategy

- Proactive and reacting strategies involve supporting operational managers in their current objectives *plus* tackling problem areas
- Strategy should be 10% analysis and 90% implementation
 - Need plans to be practical, phased and resourced
- Initiatives should not conflict: need horizontal integration
- Demands need to be prioritised

Prioritisation of demands



A strategy for the HR function

- The purpose of HR is to:
 - carry out people administration activities
 - ensure compliance with legislation and policies
 - represent the company externally on people issues
 - manage (with line management support) the people management process
 - apply professional knowledge to support the organisation and managers in their goals
 - provide data and information to enable managers to manage effectively

A strategy for the HR function cont'd

- The HR function needs a strategy to deliver all these efficiently and effectively
- The structure of the function has to support the approach to resourcing
- Traditionally split between administration, generalist and specialist roles
- Technology – eg self-service – can remove some administrative and generalist tasks
- New role of generalists (business partners/advisers) to support business priorities in specific areas of the organisation

A strategy for the HR function cont'd

- Delivery of the strategy depends on the capability of the HR function:
 - Personal credibility
 - Business mastery
 - Change and process mastery
- HR processes must be fit for purpose – be clear, add value (cost/time is justified by the value it adds), be consistent with values, and be as simple as possible

A strategy for the HR function cont'd

- Technology must support HR processes
- HRIS should provide data, reportage and information about people
- HR tools should make the process more efficient, fit with values and culture, fulfil their promise, be cost-justified, and be understandable by non-HR people
- HR must measure and monitor its own effectiveness

A strategy for the HR function cont'd

- HR strategy must include regular contact with operations, if not on the board then via committees and business reviews
- The HR community must keep up to date via external benchmarking and networking opportunities

Lecture summary

- Strategy means choosing routes to a goal via objectives and plans
- HR needs two strategies – a people strategy and an HR function strategy
- The people strategy supports the business in achieving its business and goals (PEST and SWOT may be used to help define strategies)
- Key drivers for the people strategy are: the business strategy, guiding principles for people management, external and internal factors

Lecture summary

- The people strategy can be divided into three parts – Continuing (core policies and processes), Proacting (specific initiatives to support current business goals) and Reacting (reacting to problems and issues)
- The people strategy can be divided into six sub-strategies – organisation and culture, learning and development, rewards and recognition, communications and employee relations, general HR policies, and resourcing
- Integration of sub-strategies leads to policies, processes, learning requirements and resources. These must be horizontally integrated and prioritised to lead to practical implementation planning

Lecture summary

- The HR function strategy should determine how to organise and use resources, and develop capabilities
- The HR function will use processes and tools to deliver the people strategy, decide how to use technology, measure performance, keep close to the business and keep aware of the outside world
- People management is a shared partnership between HR and managers

Case study:

Questions to answer:

1. How does the above case relate to the principles we have outlined?
2. What do you think is particularly good about it?
3. If you were a consultant to the Council, would you suggest any areas they might consider adding or changing?

Question session
