

Unit 32: Strategic Human Resource Management

Unit code Y/618/5119

Unit level 5

Credit value 15

Introduction

It is increasingly recognised that an organisation's human resources are a critical factor in an organisation's performance and a key driver of sustainable competitive advantage. It is therefore crucial that attention be given to managing human resources strategically, as there are long-term implications for organisational performance and success. Understanding the nature of the human resource and how to effectively manage human resources strategically is a key competency for HR practitioners who act in advisory positions and those who hold strategic business partner roles.

The aim of this unit is to explore the contribution that strategic Human Resource Management (HRM) makes towards the development and achievement of sustainable organisational strategies. Students will develop an understanding and appreciation of seminal and contemporary HR models, theories, concepts and practices, which enable HR practitioners to make a positive contribution to sustainable organisational performance from an HR perspective.

On successful completion of this unit, students will have the confidence to contribute to strategic decision making in an HR context. The unit takes an evidence based and outcomes-driven perspective supporting the acquisition of core knowledge in the areas of business acumen and the adoption of a business-focused approach to managing people. An understanding of the range of people practices and their impact on people behaviour, and how to enable culture change effectively. Strong theoretical and applied foundations of learning will support student understanding and knowledge. The learning that takes place on this unit will enable students to add value to an organisation's HR function and role.

Learning Outcomes

By the end of this unit a student will be able to:

- LO1 Assess how HR strategy and practices are influenced by developments in an organisation's external and contextual environment
- LO2 Appraise the theoretical perspectives of strategic HRM and their associated practices in different types of organisations
- LO3 Evaluate how strategic HR initiatives can be used to develop high-performance organisational cultures
- LO4 Develop an integrated HR strategy to support sustainable business performance and growth.

Essential Content

LO1 **Assess how HR strategy and practices are influenced by developments in an organisation's external and contextual environment**

Strategic HRM and the external environment:

HRM as a distinctive philosophy relating to the way people should be managed in the workplace.

Contingency theory.

Organisations and the HR function needing to respond/adapt to changes in the external environment when developing strategy.

The need to ensure alignment of HR practices with the business strategy if HR is to make a strategic contribution.

External and contextual developments:

Contemporary trends and developments in HR, including:

- the impact of globalisation
- workforce diversity
- changing skills requirements
- changing work patterns and practices e.g. remote working, social distancing measures
- job design
- knowledge management
- work-life balance and processes for improving levels of employee engagement and productivity.

Generic HR strategies, viewing people as a cost or an asset.

Changes in HR policy and practice related to current trends and developments.

The impact of digital technologies on people-management practices, e.g. recruitment processes, HR self-service, training and development/e-learning, outsourcing.

HR issues in small and large firms and in the private, public and third sectors.

LO2 Appraise the theoretical perspectives of strategic HRM and their associated practices in different types of organisations

Strategic approaches to HRM:

The evolution from personnel to HRM and the growth of strategic HRM.

Links between business strategy and HR strategy.

Features, assumptions and practices of the universalist, contingency and resource-based approaches to HRM.

HR's role in achieving sustainable competitive advantage and in building flexible agile organisations.

The impact of theory on HR practices:

The need to create a coherent and integrated set of HR practices that support the strategic direction and goals of the organisation.

Strategic choice in terms of HRM approach and implications for resourcing, reward, performance management, learning and development, and employee relations strategies adopted in organisations.

Importance of establishing what performance and behavioural outcomes are desired and developing a 'bundle' of HR interventions that will deliver on them.

LO3 Evaluate how strategic HR initiatives can be used to develop high-performance organisational cultures

Organisational culture and cultures of high performance:

Importance of culture and its impact on organisational performance and employee behaviour.

Categories of organisational culture and how culture influences organisational priorities and ways of working.

Layers of organisational culture, e.g. beliefs, values, attitudes and behaviour demonstrated by organisational members.

Attributes of high-performance cultures depending on organisation's context and nature of operational goals and business objectives.

The role of HR and ethical considerations in organisational culture.

HR strategy and strategic HR initiatives:

Importance of developing organisational cultures in which employees demonstrate high levels of engagement and high levels of commitment to organisational goals and values.

Strategies for instilling appropriate employee behaviours and attitudes in the areas of resourcing, reward, learning and development, employee relations and performance management.

HR strategies and initiatives that are mutually supportive and complementary of each other and supportive of the business strategy.

LO4 Develop an integrated HR strategy to support sustainable business performance and growth.

Features and justification of an integrated HR strategy:

The need for the HR function and HR practitioners to act as strategic partners in the business.

The contingency perspective and resource-based view of HRM, emphasis on achieving competitive advantage. Focus of each approach influencing HR initiatives.

HRM supporting sustainable business performance and growth through vertical integration and alignment of HR initiatives with the organisation's business strategy and strategic goals.

The need for HR initiatives to be tailored to an organisation's specific circumstances and strategic objectives.

Primary concerns when adopting a strategic HR approach:

Finding and retaining the right people through HR planning.

Maintaining an effective workforce through communication and rewarding.

Managing talent through training and development initiatives.

Managing and evaluating employee performance using performance management systems.

The need for complementary and mutually supportive HR initiatives in the areas above.

Developing an organisational culture that is supportive of the business strategy.

Detailed integrated HR strategy:

Forecasting, recruiting and selecting people with the right knowledge, experience and skills in order to retain staff through the design of work.

Benefit packages that recognise the importance of intrinsic and extrinsic rewards.

Employee relations initiatives that allow for employee voice.

Provision of ongoing learning and knowledge sharing.

Objective setting, ongoing performance review and evaluating against KPIs.

Strategic integrated HR strategy:

Selection of staff based on values and competences.

Rewards and benefits that meet employee needs and encourage required behaviours and attitudes.

Employee involvement initiatives that allow employee voice and employee participation in decision making.

Initiatives that provide development and career opportunities.

Setting SMART objectives, use of performance management system to allocate rewards and/or establish development needs.

Factors that influence employee and organisational performance are varied and context specific.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Assess how HR strategy and practices are influenced by developments in an organisations external and contextual environment		LO1 and LO2 D1 Draw conclusions to make recommendations for adapting HR strategy and practices for the successful achievement of HR strategy.
P1 Discuss how an organisation’s HR strategy and practices are influenced by external developments. P2 Evaluate how developments in an organisation’s external and internal environment create tensions in the effective management of human resources.	M1 Critically evaluate the extent that an organisation’s HR strategy and practices are influenced by external developments.	
LO2 Appraise the theoretical perspectives of strategic HRM and their associated practices in different types of organisations		
P3 Examine the practical implications of applying strategic HRM approaches to specific organisational examples.	M2 Critique the practical implications of applying strategic HRM approaches to specific organisational examples.	
LO3 Evaluate how strategic HR initiatives can be used to develop high-performance organisational cultures		D2 Make justified recommendations for action on how organisations can apply strategic HR interventions to create high-performance cultures.
P4 Evaluate the influence of strategic HR initiatives to create cultures of high performance in organisations.	M3 Critically evaluate the extent that strategic HR initiatives are able to create cultures of high performance in organisations.	
LO4 Develop an integrated HR strategy to support sustainable business performance and growth.		
P5 Produce an integrated HR strategy that will support sustainable objectives for organisational performance and growth.	M4 Produce a strategic integrated HR strategy that will support sustainable objectives for long-term organisational growth.	D3 Produce a justified integrated HR strategy that supports sustainable objectives and KPIs for long-term organisational growth.

Recommended Resources

Textbooks

ARMSTRONG, A. (2016) *Armstrong's Handbook of Strategic Human Resource Management*. 6th Ed. London: Kogan Page.

BEARDWELL, J. and THOMPSON, A. (eds) (2017) *Human Resource Management: A Contemporary Approach*. 8th Ed. Harlow: Pearson Education.

BRATTON, J. and GOLD, J. (2017) *Human Resource Management: Theory and Practice*. 6th Ed. London: Palgrave Macmillan.

TORRINGTON, D., HALL, L., TAYLOR, S. and ATKINSON, C. (2017) *Human Resource Management*. 10th Ed. Harlow: Pearson Education.

WILKINSON, A., REDMAN, T. and DUNDON, T. (2017) *Contemporary Human Resource Management: Text and Cases*. 5th Ed. Harlow: Pearson Education.

Websites

www.hrmagazine.co.uk

HR Magazine

(Articles)

www.personneltoday.com

Personnel Today

HR strategy/talent management

(Articles)

www.shrm.org

Strategic Human Resources

Management

(Articles)

Links

This unit links to the following related units:

Unit 3: Human Resource Management

Unit 20: Organisational Behaviour

Unit 24: Understanding and Leading Change

Unit 30: Resource and Talent Planning

Unit 46: Developing Individuals, Teams and Organisations