

Strategic Human Resource Management (Book Review)

Sobia Sultana

Lecturer, Department of Public Administration

Lahore College for Women University, Lahore

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Introduction

The book “*Strategic human resource management*” (Alan Nankervis, Robert Compton and Marian Baird) present a broad coverage of Strategic human resources management, execution and evaluation using concepts, models and relevant case studies.

In this Information Era; globalization, the advance in technology and the transformation in the nature of job are dominant issues for managers and human resources professionals of the millennium. The importance of SHRM for the success of the organization is inevitable in this increasingly competitive business environment and allows organizations to perform human resource management functions in a mutually beneficial way.

This book is organized into six parts. First part encompasses the perspective of strategic human resource management which is further divided into two chapters. The second part includes Human resource planning comprises of chapters 3 to 5. The third part expounds the staffing of the restructured workplace including chapters from 6 to 8. The fourth part focuses on ensuring the effective management of human resource including chapters from 9 to 12. The fifth part highlights managing employee relations (chapters 13-15) and sixth and the last part comprised of accountability, international human resource management, future directions and discussions from chapters 16 to 18.

Organization of the book:

This book is organized into six parts and eighteen chapters, key discussions and concepts in each chapter are discussed below.

Chapter 1- Theories, issues and influences in human resource management

This chapter of the book is the basis of HRM. It provides a general description of the link between personnel management and human resource management and focuses on the history and origin of human resource management. The management of human resources is the decisive element in the success of the Australian organization. This chapter provides a brief introduction of management theories like classical management theory, contingency theory, excellence theory, total quality management to organizational success. The stages of HRM from first stage to fourth stage (1900s-1990s) has also been expound in a comprehensive way. Discussion commence with focus on roles, functions, strategies and practices for the management of human resources for the corporate blessing. It addresses a series of professionalism, ethical perspectives and human resource management problems. In addition advancement of HRM will eradicate problems effectively is also addressed in this chapter.

Chapter 2 – Organizational strategy, structure, culture and policy

This chapter explores the concept and features of strategic human resource management. Theories of SHRM defined the way to resolve the issues faced by achieving the organizational objectives. This chapter also outlines the Porter's business strategies through which employee's behavior and HRM policies are specified. The SHRM model deliberated here offer the directorial framework for HRM polices and structure. It discovers the definitions and the relationships between SHRM and organization's strategies, policies and culture and also discussed the style of management for the required scale of change to accomplish organizational purposes. The flexible firm model gives the impression as vital to organizational victory. The broad forms of organizational cultures discussed in detail to narrate the organizational culture with HRM. At the end the principles of HR policies, structures and the issues are scrutinized briefly.

Chapter 3- Human resource planning

This chapter focused on human resources planning; elaborate its role in association with organization strategies and HR strategies. Human resource planning is beneficial for organization in term of estimating labor demand (to fulfill their consideration by using different effective qualitative and quantitative techniques), for organizational resources and to assures the availability of number of sources to accommodate their forecasting demands. It also explains that how internal forces (physical, technological, social, political, economic forces) and external

forces (globalization, political, economic, social, and legislative issues) provide assistance and create hindrance for Human resource planning (HRP) in achieving strategic alignment.

HRP provide assistance to organization due to the continuous emergence of modern organizational trends, strategies, changes in the structure of employment, and in order to respond to internal and external forces by developing effective plans. The chapter ends by summarizing the merits of HRP that helps organizations in order to achieve ideal situations in flexibility, workforce, productivity, service quality, resources and profitability by using total quality management, diversity management, and flexible work practices. It also highlights the reasons due to which it is difficult to implement HRP in any organization.

Chapter 4- Human resource information management system

This chapter accentuates that Australian organizations integrated the comprehensive human resources system (HRIS) into their planning and management systems. This system provides opportunities for a greater link between human resources management and the overall planning of the organization to accurately measure the numbers and types of employees, trends and future projections. The human resources specialist has the responsibility to measure business data through efficient use. An effective HRIS is expensive, time-consuming and, at times, problematic with respect to its functions, use and confidentiality. The proper implementation of HRIS can contribute to both human resource management and organizational planning.

Chapter 5-Management in a diverse workplace

This chapter sheds light on discrimination; discrimination on the basis of gender, race, marital status or physical and intellectual basis. From few decades, legislation is formed to eradicate the discrimination waves of the feminism in employment opportunities. Top management (both federal and state) should keep in mind this issue while taking decisions of employment. Legislative indicators are formulated to provide protection against inequalities of employees and different obligations on employers. Different laws are formulated to provide protection against discrimination among individuals.

To imply legislation laws, different countries and states have established courts to indicate employer activities and hear cases of discrimination. Firstly, they investigate the employers records and then if they found any discrimination they punish them according to law. Equal

employment opportunity (EEO) and Affirmative action has provided assistance to enhance the value of HR sector in several organizations. EEO, diversity and affirmative actions are the stem of strategic planning process for better utilization of employees in an organization.

Chapter 6- Job requirement in a changing workplace

The elementary unit of any organizational structure is a “job”. Job should be precisely evaluated. Due to the effect of environmental components job is not deadlock in nature. The prerequisite of selection system is job description. It is a role that entails four parts title, identification, role and environment. It should be simple, direct, comprehensive and measureable. Information of duties of job is accumulated by job analysis and competency profiling on which HRM decisions must be stationed. Nailing down the necessity of job is called job analysis. Job analysis promotes authentic recruitment and selection. It is answerability of HR expert and HRM department. There are various mechanisms of job analysis such as narrative is most common or relatively unstructured form, trait analysis focus on tasks and traits, inventory approach tells us how much time spent on activities etc. Data collection modes should be preferred cautiously. Interviews, questionnaire, job performance, diaries, logs, critical incident, focus group, HR records, ASCO data are various modes of data collection method. On the other hand competency profiling is a style to drive set of proficiencies with effective job performance.

Job design concerns the contentment of job holder need. Human engineering, organization objective, industrial engineering and quality of work life are foundation of job design. The vital job dimensions are skill variety, task identity, task significance, autonomy and feedback. Job enlargement (horizontal loading), job rotation and job enrichment (vertical loading) are job design strategies. Self managed work teams are new expression to accommodate task, flexibility, synergy or high performance. They determine, plan and administer routine activities. Condensed work week, flex time, job sharing, part time job, telecommuting, shift work are several adjustment in work schedules by which productivity of organization and satisfaction of employees achieved. Due to global competition in this modern era workforce is increasing government and employers insisted on increased flexibility in labor market, working hours and payment system.

Chapter 7- Recruitment strategies

Recruitment means, to hire people who are right for the job and encourage people to apply for the post. For recruitment strategies it is necessary for the organizations to help HR department for taking decisions which are efficient and effective. In all process, it is necessary to inform about the criteria to applicants for the sake of motivation. Strategic perspective is different as compared to operational one. The reason behind it as HR managers also focuses on the reduction of cost. Moreover, recruitment can be done from in two ways; internal recruitment or external recruitment. Internal recruitment follows different promotional policies in which equal employment opportunities and affirmative actions are important. Whereas, recruitment from outside is also held through various advertisements like ad in a newspaper, private agencies, from educational institutions for young graduates. On the other hand, hiring can also be done through companies or organizations that support the references of employees in which the network plays a major role. E-recruitment means hiring through virtual means. For all this purpose, applications are approached by a person like telephonic applications, forms and the other way round. After then, organizational recruiters overlook the forms of applicants.

Chapter 8- Employee selection

After the process of recruiting the most important step is the selection of employees. We need to select the most appropriate and promising applicant to fill up the job vacancy. To carry out the selection process efficiently, it is important that the person who is responsible for making the decisions about selection should have the appropriate information about the nature of the job vacancy to be filled.

The selection process is said to be a continuous process because inevitable turnover occurs, which leaves the vacancies empty and these vacancies are then filled up by the managers either from inside or from outside the organization. To hire the most qualified individual for the job vacancy it is important that the HR director evaluates that the person applying for the job has provided the valid and reliable job related information. Many tests and interviews are conducted before the selection of the applicant. These tests and interviews are conducted to investigate about the background of the applicant. There are many sources of obtaining information about the job candidate which includes their resumes, application form, medical examination and background investigation. The most important source of obtaining information about the job applicants is the interview. There are two methods of interviewing i.e. the directive and the non-

directive interview. Directive interviews are also called structured interviews because they have a particular pattern which often includes detailed questions. Non-directive interviews are less structure and the interviewer asks open questions which allow the candidate to talk freely. Proper training should be provided to the interviewer and he should be well aware of how to conduct the interviews and he must possess adequate knowledge about the methods of interviewing.

The selection decision should be made very carefully. The two approaches for selection decision are clinical approach and statistical approach. The applicant achieving the cut off score should be considered for the job. While making the final decision managers need to appoint the most promising applicant for the job because this whole process of recruiting and selection is both time consuming and costly. If wrong decision has been made it is likely to increase recruitment cost, reduce the profits of the organization and also can adverse organizational performance.

Chapter 9- Training, developing and educating employee

Training and development programs play essential role in organization's success. Due to advancement in technology and inclusion of globalization training and development become very important. From very few years development programs give great attention on career development and personnel management. A development program starts with the important process of induction.

System approach should be followed in designing training programs. Training becomes very important, now-a-days on the job and off the job trainings are conducted to educate employees. Training should focus on the achievement of strategic objectives of the organization and that lead to the success of business. For the training of managerial and non managerial personnel only those training programs should be selected that are suitable to the structure and culture of the organization and that can strategically attain vision and mission of organization.

Chapter 10- Career development

With the rapid increase in global competition there is an extension of wants of employers and employees which outgrowth the development of career affairs for best usage of workforce. There must be reconcilable and supportive policies to be successful for each organization. A program of career development should accommodate a well established stock of job opportunities jumping from one job to another. The career programs help for the betterment of workforce in the system

by working in division. Managers need to be trained to efficiently evaluate or examine the KSA's and aptitude to be needed in organization. Group of minorities and women are now provided with many rights with these programs that reduces many hurdles in this advanced era. The needs of those employees who work and maintain their families together must be fulfilled to bring a profitable and productive environment.

While choosing choices for career every employee wants to be aware of these terms and should take guidelines from HR experts. As time change people also change, the needs and wants of older people are quite distinguished from young generation. Every leader or HR professional should be familiar of these new attitudes.

Chapter 11- Management of performance

Management of performance is the process of managing and improving employees by training and incentives while evaluating their performance for achieving settled goals. The basic components of performance management are: the process of performance management which starts from the hiring and recruitment, the role of performance management when making multinational goals, subsidiary goals and individual goals and the main part of performance management is performance appraisal of employee according to which training and incentives plans can be held.

Performance appraisal is the process of evaluating the employees, sharing information with them and searching for methods to improve performance. Performance review program is very essential for both the organization and subordinates. Appraisers who develop the appraisal program can be manager and supervisor usually. Appraisal by peers and self-appraisal are most used criteria. Methods which are commonly used to appraise the performance of the employees are 360° feedback, rating error, competency-based appraisal, rating scale, global rating, mixed standard scale, BARS, essay method, MBO, checklist employee and forced choice methods according to the requirement. Tell and sell method, tell and listen method and problem solving method are the three categories of appraisal interviews. Employee assistant programs bring free specialized, trustworthy counseling to employees and their families.

Chapter 12- Strategic remuneration management

In any organization, remuneration management has taken very much importance. It encourages and reward business performance. Remuneration strategies are shaped by human resource strategies and organization's business. Remuneration decisions are mainly based on what business needs to be achieved in near future. Now-a-days remuneration management becomes very important as it gives direction to business towards success. This chapter focuses on strategic objective of remuneration, policy/ principles of remuneration and salary structure. It also expounds the current issues in remuneration management and the form of equity in salary packages and benefits.

Chapter 13- Managing occupational health and safety

Safe and healthy environment in any organization provides psychological satisfaction to the minds of an employee's which comes in the form of an effective and efficient output. HR department is responsible for making such policies which assure employees safety because, physical factors like noise and vibration, chemical agents like toxins and poisons become a hazard for workers and in return labors face stress. Occupational Health and Safety (OHS) align with strategies side by side. Different policies are made regarding OHS. Most of the vital among safety policies is workers compensation and rehabilitation legislation.

For creating safe and healthy work environment organizations compensate employees who are injured. Organizations should conduct awareness programs and also training programs for employees. Compensation system should also be developed in which first aid and adequate medical check-ups are also included. Other issue that has been raised in organizations is smoking. Many people started smoking when they are in depression or work load is high and this creates an unhealthy environment for other employees. In some organizations mobile phone is taking as a hazard. Too much usage of it creates some electromagnetic radiations which are not good for humans. Another issue is some types of diseases like Cancer and Hepatitis. In solution firm should arrange wellness programs and also conduct a session in which they ask about employee's personal problems and after this try to solve them at maximum.

Chapter 14-The Australian bargaining framework

The chapter précised the Australian history of industrial relations and discuss bargaining framework in detail by enlightening that Australian government introduce system that resolve clashes among employees and workers. They pay more responsiveness to solve issues related to

workplace, productivity and competitiveness of the Australian industry in the world of globalization. For this they presented enterprise bargaining or workplace bargaining concept. Further, they explain that legislative changes play a key role by federal government, as government pressurized direct or independent relation between employers and employees and construct a set of formal rules for the conduct of industrial relation.

The workplace relation act enhances economics and welfare of people by encouraging and ensuring their responsibilities. The chapter also defines different acts for the collective bargaining and union to define human resource management role. There are some awards and certified agreements that cover wages or conditions of employment that has been formalized and approved by commission.

Chapter 15- Unions and collective bargaining

The emphasis of this chapter is towards the contribution of unions. Unions have actually given confidence to the employees to meet up with the power of their employer and raise voice for their rights. HRM is constantly trying to make such policies that win the commitment of employees towards the organization rather than unions. The main purpose of unions is to maintain and to improve the employment conditions and to negotiate the rates of pay. Mostly unions do operate independently but sometimes during the process of bargaining they unite with other unions to share power and act in coordination, this unity of unions gave rise to inter-union institutions. Now a day's line managers and HR play a significant role in settling the grievances and also help in negotiating the terms and conditions for employment.

There are many types of unions i.e. craft unions, industry unions, general unions and enterprise unions. Craft unions are the unions which are restricted to the skilled workers in specific trade, craft and occupation for example electrical trade union. Industry union is the one restricted to the employment in particular industry which includes skilled, semi-skilled and unskilled workers for example transport worker union. General union is unrestricted in terms of occupation, skill and industry. Collective bargaining is one of the main activities of unions. Collective bargaining is used to improve the wages of employees via negotiation. Collective bargaining includes an agreement between the union and the employer which states the general terms upon which the employees will consent to work.

Chapter 16- Accounting for human resource management

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In this chapter, the significance of accounting approaches for the management of human resources has been highlighted. A long time ago, managers and senior managers could not use the best of their human resources due to the lack of adequate tools. Both quantitative and qualitative techniques are beneficial to coping with changing environments such as absenteeism, misuse and turnover, etc. The basic objective of these techniques is to ensure that the Human Resources department carries out its actions in a financially responsible and novel manner in order to achieve the objectives of the organization.

Chapter 17- International human resource management

In this chapter, the similarities and differences between the domestic SHRM and the international environment has been enlightened. The Phatak model, the Stance model and other strategic management models have been explained to deal with human resources management in the multinational company. The problems and challenges of intercultural management were also discussed. The companies of Australian organizations in Europe and the Asian regions depend a lot on human resources. Human resource managers in Australian organizations must develop new and appropriate programs for the provision of efficient staff at both the top and professional/technical levels. For expats wellbeing, integrated, culturally oriented and profitable programs should be introduced for hiring, placement, compensation, training and professional development, performance management and repatriation plans. The separation of the Eastern European bloc offers new opportunities for Australian organizations of new avenues.

Chapter 18- Future directions for Australian human resource management

This chapter sets out future directions for the Australian industry to face the challenges posed by economic, social, political and cultural transformation. The future direction proposed to the organizations to analyze the change management, the external and internal adaptability of the employees and the innovation in the SHRM programs. These programs must be sufficiently flexible in all terms of implementations. Research in the SHRM domain can propose guiding principles, a conceptual framework and practical implications for organizations. The challenge is to learn the lesson of past experiences and integrate the new approaches in the social, economic, cultural and political domain.

Reference

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