

# HRM strategy

Case duration (Min): **45-60**

Human Resource Management (HRM)

**HRM strategy**

**Worldwide**

## Case summary:

This case study makes use of three short film clips to develop student's conceptions of what HRM strategy is. The first film clip focuses on strategic planning and its relationship with HRM planning; the second film clip recognises resourcing to be an important component of the HR professional's work, along with a set of systems and activities used to ensure strategic goals are met. Finally the last film clip focuses on employee (talent) retention.

## Learning objectives:

Determine what is meant by strategic HRM, HRM strategy and human resource planning.

## Case problem:

What is strategy and more specifically what are human resource strategies? What is the relationship between strategic HRM and human resource planning?

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

Title/ Media type	URL/ Media description
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Importance of the Process of Planning :	<a href="http://eclips.cornell.edu/search?querytext=humanresource&amp;id=id&amp;clipID=6140&amp;tab=TabClipPage">http://eclips.cornell.edu/search?querytext=humanresource&amp;id=id&amp;clipID=6140&amp;tab=TabClipPage</a>
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<b>Film</b>	David Gottlieb Discusses the Importance of the Process of Planning.
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Almost Half Of HR Professional Time Is Spent on Talent Recruitment.	<a href="http://eclips.cornell.edu/search?querytext=humanresource&amp;id=id&amp;clipID=5519&amp;tab=TabClipPage">http://eclips.cornell.edu/search?querytext=humanresource&amp;id=id&amp;clipID=5519&amp;tab=TabClipPage</a>
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<b>Film</b>	Kevin Gaugush States that Almost Half Of HR Professional Time Is Spent on Talent Recruitment. :
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Importance of Retention	<a href="http://eclips.cornell.edu/search?querytext=humanresource&amp;id=id&amp;clipID=5523&amp;tab=TabClipPage">http://eclips.cornell.edu/search?querytext=humanresource&amp;id=id&amp;clipID=5523&amp;tab=TabClipPage</a>
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<b>Film</b>	Kevin Gaugush Discusses the Importance of Retention - or Re-recruiting - of Employees.
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**NOTES:**

## Case study questions...

Action	Pre/During/After class
<p><b>1 PLANNING EVALUATED :</b></p> <p>With reference to the first film clip, your experiences and wider reading, critically evaluate the role of planning and plans within organisations; you should briefly consider planning at the corporate strategy level and then at the HRM level. What is HR planning? In your answer you should explain what is meant by planning and more specifically strategic and human resource planning. You should also discuss the purpose of a plan and what you might expect the strategic plan and the human resource plan to contain. Finally, you should consider the relationship between the two aforementioned plans and consider how traditional personnel management may be distinguished from HRM.</p>	During
<p><b>2 RESOURCING STRATEGIES :</b></p> <p>In the previous question we noted the consequences of business strategy on an organization's human resource requirements and the process of seeking to match present and future human availability to the needs of the organization and a strategy for the acquisition, utilisation, improvement and retention of an organisation's human resources. Kevin Gaugush states almost half of HR professional time is spent on talent recruitment. In your groups, evaluate his comments-the important part of hiring before the need arises is that it allows you that transition (time for new employees to familiarise themselves with policies and systems) – 'So important to recruit before you have a need'. In your answer you should discuss resourcing constraints within the wider environment and competing organisational goals (particularly in terms of competitive advantage). Finally, outline and describe the key stages of employee resourcing at a strategic level.</p>	During
<p><b>3 RETENTION/'RE-RECRUITING' :</b></p> <p>In the third film clip, Kevin Gaugush asks, 'How do you make sure that [employees] want to stay with your organization?' and 'How do you ensure that they stay motivated?' In your groups and brainstorm and discuss strategic behaviours that can drive away talent. Next, drawing on the film clip here, and your broader knowledge, discuss employee retention strategies that an organisation may embark upon.</p>	During

## HR PLANNING

Ensuring the organization has the appropriate number of suitably skilled people in the right places and at the right times

## HR PLANNING

Process of devising systems for all aspects of HR, including selection, recruitment, compensation and appraisal of staff, within the strategic goals of the organization.

## HR PLANNING

Ensuring the organization has the appropriate number of suitably skilled people in the right places and at the right times

## HUMAN RESOURCE PLANNING

A strategy for the acquisition, utilisation, improvement and retention of an organisation's human resources.

## HUMAN RESOURCE PLANNING (HRP)

A process which anticipates and maps out the consequences of business strategy on an organization's human resource requirements. This is reflected in planning of skill and competence needs as well as total headcounts.

## HUMAN RESOURCE PLANNING

The process of seeking to match present and future human availability to the needs of the organization.

## PLANNING

the formalization of what is intended to happen at some time in the future.

## PLANNING

This is concerned with actions taken prior to an event, typically arranging for resources to be provided in order to achieve a desired outcome

## PLANNING HORIZON

The length of time on which a forecast is based

## Question/ Answer

### 1 PLANNING EVALUATED :

With reference to the first film clip, your experiences and wider reading, critically evaluate the role of planning and plans within organisations; you should briefly consider planning at the corporate strategy level and then at the HRM level. What is HR planning? In your answer you should explain what is meant by planning and more specifically strategic and human resource planning. You should also discuss the purpose of a plan and what you might expect the strategic plan and the human resource plan to contain. Finally, you should consider the relationship between the two aforementioned plans and consider how traditional personnel management may be distinguished from HRM.

**Key comments made in the first film clip include:**

1 "Plans are not important, but planning is", you learn more as a result of planning; you have to have some sense of the [key business problems and environment] and the human resource requirements etc.

2 Plans become obsolete - 'Circumstances change' - the process of planning will help prepare you for the challenges that you are going to face along the way; a business plan is a living exercise.

3 The business resource requirements (financial, people, equipment etc) depend upon the business plan. It depends upon your business plan and what your business needs and what your objectives are -you must hire the right people to accomplish them.

**Planning :**

This is concerned with actions taken prior to an event, typically arranging for resources to be provided in order to achieve a desired outcome/ the formalization of what is intended to happen at some time in the future. See planning horizon - The length of time on which a forecast is based.

Strategic planning - "Within the context of the planning cycle, planning that takes place at the highest levels of the firm, addressing needs that might not arise for years into the future."

Strategic Plan - the documented strategy (goals, approaches to achieve goals and resource allocation).

Human resource planning (HRP) is a process which anticipates and maps out the consequences of business strategy on an organization's human resource requirements. This is reflected in planning of skill and competence needs as well as total headcounts; ensuring the organization has the appropriate number of suitably-skilled people in the right places and at the right times; a process of devising systems for all aspects of HR, including selection, recruitment, compensation and appraisal of staff, within the strategic goals of the organization; the process of seeking to match present and future human availability to the needs of the organization and a strategy for the acquisition, utilisation, improvement and retention of an organisation's human resources.

Strategic HRM - Directing people, processes and HR systems to achieve strategic objectives so that individual goals are tied to the business needs of the whole organization.

A Human Resources plan is a document that aligns the strategic direction of your business with your human resource systems.

Students should recognise that a plan defines intended outcomes, based on analysis but that plans become obsolete as the environment changes both internally and externally, thus changing the analysis. There is a hierarchy of planning based upon organisational level (operational, tactical and strategic) and the organisational entity concerned (the whole or a functional part of the organisation). Systems theory suggests the need for a common goal and therefore plans should be carefully integrated to ensure that the overall objectives of the organisation influence the various parts of that organisation.

## STRATEGIC PLAN

the documented strategy (goals, approaches to achieve goals and resource allocation)

## STRATEGIC PLANNING

Within the context of the planning cycle, planning that takes place at the highest levels of the firm, addressing needs that might not arise for years into the future.

## STRATEGIC HRM

Directing people, processes and HR systems to achieve strategic objectives so that individual goals are tied to the business needs of the whole organization.

## EMPLOYEE RESOURCING

Resourcing is the process by which people are identified and allocated to perform necessary work. Resourcing has two strategic imperatives: first, minimizing employee costs and maximizing employee value to the organization; secondly, obtaining the correct behavioural mix of attitude and commitment in the workforce

## 2 RESOURCING STRATEGIES :

In the previous question we noted the consequences of business strategy on an organization's human resource requirements and the process of seeking to match present and future human availability to the needs of the organization and a strategy for the acquisition, utilisation, improvement and retention of an organisation's human resources. Kevin Gaugush states almost half of HR professional time is spent on talent recruitment. In your groups, evaluate his comments-the important part of hiring before the need arises is that it allows you that transition (time for new employees to familiarise themselves with policies and systems) – 'So important to recruit before you have a need'. In your answer you should discuss resourcing constraints within the wider environment and competing organisational goals (particularly in terms of competitive advantage). Finally, outline and describe the key stages of employee resourcing at a strategic level.

**Employee resourcing is the process by which people are identified and allocated to perform necessary work. Resourcing has two strategic imperatives: first, minimizing employee costs and maximizing employee value to the organization; secondly, obtaining the correct behavioural mix of attitude and commitment in the workforce.**

**The key stages of employee resourcing include planning - determining HR needs; evaluating and determining the nature of work to be done and associated competency requirements; recruitment and selection.**

Students should discuss primary sources of competitive advantage and the need to have the right people in place to meet the organisation's goals. Michael Porter highlights two important sources of competitive advantage: cost and differentiation. Organisations continually strive to be efficient (cost reduction) and in some cases will offer differentiated products and services in order to win business/revenue. In order to pursue the differentiation strategy, organisations will often require access to talented human resources. However this may create tension with the cost efficiency goals whereby organisations seek to operate as lean as possible. Consequently, the comments of Kevin Gaugush must be considered carefully. Whilst he presents a valid argument for the benefit of recruiting before the need arises, this must be considered alongside associated costs.

There are other constraints to consider in the context of resourcing strategies. The organisation and HR professional must consider fluctuating economic conditions and competition, the availability of human resources within the local job market, competition for scarce skills etc. If companies are unable to resource people with appropriate skills, their growth prospects and competitiveness may be inhibited. In such cases, organisations may have to consider other alternative resourcing strategies such as outsourcing and subcontracting. They may also have to embark on other initiatives to recruit and retain employees.

## 3 RETENTION/'RE-RECRUITING' :

In the third film clip, Kevin Gaugush asks, 'How do you make sure that [employees] want to stay with your organization?' and 'How do you ensure that they stay motivated?' In your groups and brainstorm and discuss strategic behaviours that can drive away talent. Next, drawing on the film clip here, and your broader knowledge, discuss employee retention strategies that an organisation may embark upon.

**Behaviours that can drive away talent include: focusing on employee remuneration and benefits rather than considering other factors that may breed satisfaction, loyalty and commitment (organisation culture, corporate social responsibility, career opportunities, fulfilling work etc) and boom and bust cycles of hiring and reductions. Organisations must recognise the importance of retention in terms of knowledge and cost and must empower HR strategically to ensure the right HR systems are in place to motivate employees, building loyalty and commitment.**

**Kevin Gaugush discusses employee retention strategies an organisation may embark upon: performance reviews, training, understanding the employee as a person - continually having dialogue with employees. Aside from being proactive in addressing retention issues, he also considers it important to ascertain why employees actually leave. Occasionally employees do leave. Make sure that you reach out to those employees as part of the job as a human resource professional as well. What went wrong? Why did they leave?**

## Case study references

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Price, A. (2007) 'Human Resource Management in a Business Context', Ed. 3. Cengage Learning EMEA.