

ENABLING FACTORS OF STRATEGIZING HR PLANNING

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Abstract:

In the era of globalization organizations productivity achievement not only determined by existing manpower skill, ability, age and experience mix but also adding value to company competitiveness. What you have to day never be guarantee for tomorrow. Because we live in uncertain and ever changing environment that always need care and seeing unforeseen future events. Globalization, cultural, demographic, social structure changes, technological dynamisms make strategic human resource planning imperative. Just failing to address potential threats in the markets or service place can jeopardizing the validity of your business, failing to anticipate personnel need can impact on overall business or services. HR planning is one way to buffer future environment uncertainties. But this complex activity never happen in vacuum or sterile environment therefore immediate and urgent strategic concern for enabling factors such as organizational culture, building good HR posture through HR architecture and using appropriate measurement tool for instance balanced scorecard is mandatory to gain value from it. Investments in HR technologies are corner stone for proactive planning in HR and that will change the total direction of your organization to boost on competitive world.

KEYWORDS:

Organization Culture, HR Strategy, HR Information System, HR Scorecard

INTRODUCTION

Becker and Huselid (1999) in (Caldwell et al.,2010) noted that integrating key human resource functions to reframe an organization's internal environment results in significantly higher organizational outcomes and financial performance that is superior to what firms can attain by implementing individual human resource program elements piecemeal. The three key functions that Becker and Huselid (1999) cited as most important were (1) a management culture aligned with the corporate strategy; (2) operational and professional excellence in conducting key tasks; and (3) a human resource structure focusing on human resource managers as business partners to other departments.

These three organizational factors are interrelated (Becker and Huselid, 1999; Paine, 2003) and organizational cultures can enrich human lives as well as increase profitability (Cameron, 2003; Senge, 2006). Torrington et al. (2005) added that the role of the HR function in strategic concerns include the overall philosophy of the organisation towards the value of its people, the mindset of the chief executive, and the working relationship between the chief executive and the most senior HR person. The foundations for all this are organizational culture and leader's stewardship (Lloyd and Rawlinson, 1992; Macduffie, 1995). Besides organization life cycle also affect the HR strategic function.

The goal of the article is to conceptualize enabling factors for effective long range HR planning to gain value from human resource for competitive advantage of companies. The frame work centre on:

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Organizational culture committed for strategic HR planning supported by firmly held values, attitudes, leadership stewardship, working organizational politics and power and management philosophies that take HRM as strategic partner or value adding function.

HR unit architecture (the systems, practices, competencies, and employee performance behaviour) to accomplish strategic HR planning practice by acceptable manner and standards to be seen as competitiveness centre.

The HR Score Card as a tool in integrating HRP with organizational strategy

Building supportive HR information system as enabler to strategizing HR planning in institutions

The conceptualization used logic, system and scientific conceptions to answer the above basic targets. Secondary data are collected from printed papers, books and statistics used to answer the basic objective of the article.

ORGANIZATIONAL CULTURE

Neiger et al. (2009) and Matusik and Hill (1998) noted that supportive Culture enables employees to attain their full potential. K'obonyo and Dimba (2007) describe culture of a group refers to the collective mental programming that these people (Armstrong, 2006) have in common; the programming that is different from that of other groups or nations. Culture in this sense of collective mental programming, is often difficult to change (Armstrong, 2006; Margolis, 2008). This is so because it is shared by a number of people, and because it has become crystallized in the institutions these people have built together. In some agencies, the recognition that its people are its most important asset has traditionally been part of the culture (US Office of Personnel Management, 2000; Pynes, 2004; Margolis, 2008).

The concept "organizational culture" has become popular since the early 1980's (Armstrong, 2006; Sechin, 1990). There is no consensus about its definition but most authors agree that it is something holistic, historically determined, related to anthropology, socially constructed, soft and difficult to change. It is something an organization has or in a different way it can also be seen as something an organization is. Organization cultures are different from national cultures manifest in symbols, heroes, rituals and values. National culture differs mostly on the values level. Organization culture together labelled as "practices".

According to (Bhattacharyya; 2006) HRP facilities are development of an enabling culture in an organization. In changing environment according to him organizations are required to go for frequent restructuring and re-designing of activities. Without an enabling culture it is difficult for the organization to withstand the change requirements. Enabling culture is creating an environment where employees are motivated to take initiative and risk, they feel enthused to experiment, innovative and they make things happen. Thus HRP culture, which develops an enabling culture in an organization, is characterized by the following practices such as Openness, confrontation, trust, autonomy, pro activeness, authenticity and collaboration (Singh, Puskas, and Gupita, 2010). Organizational culture is (Armstrong, 2006) so anthropological therefore day-to-day activity become customary and finally changed in to organization firm belief. Therefore managers day-to-day practice must be shaped in a way that teaches positive culture of long-term HRP to office fellows.

ORGANIZATIONAL CULTURE AND HR STRATEGY

As mentioned by different scholars above organizational culture is a pattern of shared values and beliefs giving members of an organization meaning and providing them with rules for behaviour. These values are inherent in the ways organizations and their members view themselves, define opportunities, and plan strategies. Much as personality shapes an individual, organizational culture shapes its members' responses and defines what an organization can or is willing to do (Schein, 1990, 2004). The culture of an organization is seen in the norms of expected behaviours, values, philosophies, rituals, and symbols used by its employees. Culture evolves over a period of time. Only if an organization has a history in which people have shared experiences for years does a culture stabilize (Russell, 1997; Schein, 1990).

A relatively new firm, such as a business existing for less than two years, probably has not developed a stabilized culture. Managers must consider the culture of the organization because otherwise excellent HR strategies can be negated by a culture that is incompatible with the strategies. Further, it is the culture of the organization, as viewed by the people in it that affect the attraction and retention of competent employees (Russell, 1997). Numerous examples can be given of key technical, professional, and administrative employees leaving firms because of corporate cultures that seem to devalue people and create barriers to the use of individual capabilities.

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In contrast, by creating a culture that values people highly, some corporations have been very successful at attracting, training, and retaining former welfare recipients. The culture of an organization also affects the way external forces are viewed. In one culture, external events are seen as threatening, whereas another culture views risks and changes as challenges requiring immediate responses (Russell, 1997 and Aswathappa, 2009).

Effective implementation of HR strategies depends on the involvement, commitment and cooperation of line managers and staff generally. Finally, there is too often a wide gap between the rhetoric of strategic HRM and the reality of its impact, as Gratton et al (1999) in (Armstrong, 2006). This due to corporate culture, organizational power and politics and finally management attitude and philosophy developed from these facts. Aswathappa (2009) described the following facts of culture forces on HR function to adapt any strategic action or any technological changes.

First culture creates the type of people who become members of an organization. Culture trains people along particular lines, tending to put personality stamp on them. Second, the attitude of workers towards work is the result of their cultural back ground. Our workers are known to have a deep-seated apathy towards work. Work is dissociated from results in the belief that results are pre-ordained. Thirdly, time dimension, which influence HRM, has its roots in culture. Time orientation refers to people's orientation-past, present or future. In some societies, people are oriented towards the past, in others; they tend to be more focussed on the present. Still others are futuristic in the outlook. HRM people in society that focus on the present, care more for employees on the rolls.

To conclude, USA-OPM (1999) confirmed that finding the right opportunity to present a case for developing an HR Strategy is critical to ensuring that there will be support for the initiative and that its initial value will be recognised by the organisation.

The HR Score Card Tool and Aligning HRP with Organizational Strategy

Regarding the origin of balanced Scorecard Niven (2002) described the following paragraph. For this scholar the Balanced Scorecard was developed by two men, Robert Kaplan, a professor at Harvard University, and David Norton, a consultant also from the Boston area. In 1990 Kaplan and Norton led a research study of a dozen companies exploring new methods of performance measurement. The impetus for the study was a growing belief that financial measures of performance were ineffective for the modern business enterprise.

The study companies, along with Kaplan and Norton, were convinced that a reliance on financial measures of performance was affecting their ability to create value. Since that time the Balanced Scorecard has been adopted by nearly half of the Fortune 1000 organizations and the momentum continues unabated. Once considered the exclusive domain of for-profit world, the Balanced Scorecard has been translated and effectively implemented in both not for-profit and public sectors (Bhattacharyya, 2006).

Bhattacharyya (2006) and ASL Consulting (2003) confirmed that becoming a strategic partner to the organization requires an alignment between HR and the enterprise level strategy. New management practices must be adapted to help position of HR as a strategic partner to the enterprise (US-OPM, 1999; Armstrong, 2006; Ingham, 2007; MacMillan and Jones, 1986). Achieving the status of a strategic partner to the enterprise require implementation of tools, and the adoption of practices not supported or readily available from majority of current HR management strategy suppliers. Implementation of HR score card will enable the HR organization to articulate and measure their strategic contribution to the enterprise in concert with overall corporate strategy (Rao, 2010; Tezera, 2010).

Balanced score card (Bhattacharyya, 2006, Torrington et al., 2005; ASL (Human Capital Management Solutions) Consulting, 2003) is the best seen as a management versus measurement tool. According to Niven (2002) the Balanced Scorecard assists organizations in overcoming two key issues: effective organizational performance measurement and implementing strategy. It is systematic frame work for communicating strategy and vision. Stressing the fact that the success of an organization is a holistic process Bhattacharyya (2006) and Ingham (2007) described that the scorecard measures organizational performance across four balanced perspectives: financial, customer, internal business process, learning and growth.

Bhattacharyya further elaborate that The HR score card aligns support functions with the business strategy illustrating the strategic impact of HR services and projects and enables HR to demonstrate its value through more than short term finical outcomes. HR Score card would allow the HR organization to take the initiative, instead of being reactive to the demands of the enterprise.

A comprehensive approach that creates strategic alignment between HRP and the enterprise level planning including strategy, resource allocation, budgeting, reporting is absolutely essential (Tezera, 2010). How you can achieve these objectives and implementation of Scorecard approach even determined

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and influenced by the able manpower that you brought to the institution through strategy-linked HRP. On whom or by whom you are going to apply this new concept? It is only by those workforce strategically brought to institution to accomplish cooperate strategy. Employee shoulder has to be strong to bear this impression. They have to be mental and physically able to carry this critical issue. Let see the Bhattacharyya (2006) description of HR Scorecard.

Developing the HR scorecard as a new management process provides the foundation to make HR a true strategic partner and enable the enterprise to realize the full value of its human capital. The first step in establishing HR strategy focused organizations requires the development of a HR Scorecard that can be linked to enterprise strategy and achieve perfect organizational alignment. The HR Scorecard includes development of the following methodology:

- a. Development of a solid strategy: development of solid strategy that is aligned with the enterprise strategy is a keystone to success.
- b. Starting Mapping: development of a strategy map, including selection, performance measures, establish targets, establish objectives, identify initiatives and identify ownership to deliver strategy
- c. Establish measures to each objective: after translating strategy to objective, managers and employees must know if and when objectives are being achieved. Their fore each objective is given with at least one measurement that is included in the key performance indicator.
- d. Cascading of Scorecard: keeping in mind operational, management and front line employees do the actual work that makes strategy happen. Organization must develop Scorecard at every level so that each person can see how his or her specific responsibility align and contribute to the higher level goals.
- e. Scorecard implementation; finalizing scorecard design and developing an implementation plan.
- f. Post implementation: after the scorecard is deployed, mangers need to periodically re-examine their existing core process to ensure they are linked to the corporate strategy.

Mapping an organization's Human Capital Architecture as HRP Issue

The linkage between strategy and HR planning should focus on the development of core competencies. As Rao (2010) stated core competency is portfolio of employee skills. Different skills of employees can be grouped based on "strategic value" they create and their distinctiveness to organization. As theories of strategic management have shifted toward resource-based and knowledge based view of the firm, researchers have increasingly looked inward for sources of competitive advantage and value creation. Hitt, Bierman, Shimizu, and Kichhar (2001); Wernerfelt (1984) in kang, Morris and Snell (2003) stressed that the most distinctive and inimitable resource available for firms are its human capital. Therefore human element architecture should be seriously considered to make the organization complete and competent.

Rao based on strategic value, grouped the human capital in to four categories important in designing HRP these are: (1) core knowledge workers-individuals hold firm specific skill linked with company strategy. (2) Traditional job based employees- employees important to company but not unique like accounts, finance, marketing personnel. (3) Contract Labor-employees with less strategic value to companies such as drivers, receptionists, security etc..(4) Alliance partners: this are group of employees has unique skills, but not directly related to organizations core function like lawyers, auditors and consultants.

Rao (2010) and Ingham (2007) described that the human resource manager make decision with regard to whom to employ internally, whom to employ externally and the type of employment relationship to be maintained. HR has to also ensure fit and flexibility of the human resource architecture. Aligning between strategic planning and programs, policies and practices of HR is vital and need to achieve two types of fit-External and internal fit (see chapter two-part two for more detail).

In addition to this Knag, Morris and Snell (2003) described the following important fact why institutions should so wary about HRP. These scholars borrowed from Lepak and Snell (1999) have established a frame work that position human capital as central to both value creation and asset specificity as well as to decisions about HR. Knag et al. (2003) and Ingham (2007) stated that the framework, referred as the HR architecture, is used to identify HR practices, employment modes, and employment relationships for different employee cohorts based on the degree to which their human capital is strategically valuable and unique, the architectural perspective makes clear that (1) employees do not all contribute in the same way based on their human capital, (2) that multiple HR configurations are used within firms for different skill groups depending on the nature of their contribution, and(3) that value creation and strategic positioning are derived from combinations of human capital across these different cohort.

According to Knag et al. (2003) three relational complements of each elements of the HR architecture. The scholars describe these three dimensions in the following manner. The Cognitive

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Dimension: This is description of employees with knowledge and skills that are available and unique tend to be managed differently from others in the firm. It is seen as fundamental driver of firm level value creation and competitive advantage. Structural dimension: refers to context of organizational structure in which employees are managed. The Affective dimension: this is the type of trust and obligation and reciprocity that exist between the employer and employees. The SHRP thinks ahead to bring this environment to company and increase employee productivity.

Using the Information System to Formulate Proactive HRP Strategy

As already mentioned (Schwind et al., 2002; Verhoeven, 1999; Rao, 2010; Bhattacharyya, 2006; Aswathappa, 2009) HRP become increasingly sophisticate, it is able to provide an organization with valuable information that can be critical in strategic planning. Many successful organizations now have sophisticated human resource information system (HRIS) for this purpose (Pynes, 2004). HRIS is a system used to collect, record, and store, analyze and retrieve data concerning an organization's HR. All good HR decisions require timely and accurate information (Rao, 2010). Human resource plans, especially those concerned with 'mapping' future competence requirements and enlarging the skills base use HRIS (Armstrong, 2006; Pynes, 2004). A good HRIS is, hence, critical for the effective functioning of the HR department and the larger the organization. The larger the organization and the more dynamic an organizations' environments; the greater the need for a sophisticated HRIS. Information typically contained in a HRIS (Schwind et al., 2002, Armstrong, 2006; Pynes, 2004) in a large organization includes:

- Wage and salary data (pay structure, raises received by employees, wage histories of employees).
- Benefits (types, choices, used/accumulated by employees, choices by employee group).
- Staff profile (minorities, women, people with physical disabilities, managerial non managerial)
- Grievance (types, frequencies, decisions by adjudicator)
- Training and development (types, date offered, training record of employees, training needs of personnel, training costs).
- Health and safety (accidents, cost, tolerance limits for various dangerous substances)
- Succession plan (skills, specialities, work experience, performance record, and promotion capabilities of employees).
- Job families (jobs, number, training needs, salary).
- Employee information (all relevant data including those for tax and pension plan purpose).
- Organizational data (structure, levels, reporting pattern, major policies).
- Demographics (staff profiles including education, age etc.).
- Environmental and census data (population trend, economic indices).
- Productivity data.

Schwind et al. (2002) and Pynes (2004) point out that all HRISs produce some regular reports such as employee records, salary and benefit details, retirement benefits, and so on. However, as a firm's HRISs increase in sophistication, they go beyond this regular report and are able to produce special reports, answer questions interactively, and play an important role in decision support. Today, even moderately sophisticated HRISs have number of models that perform specific functions such as applicant tracking, recruitment source evaluation and costing, performance appraisal recording, compensation and payroll, training records maintenance, and HR forecasts.

The decision on the proposed HRISs sophistication should be made only after a careful analysis of firm's strategy, managerial decision needs, organizational size, and current technical capability and resources (Pynes, 2004; McNeilly, 2002). According to Pynes' HRIS provides current and accurate data for decision making and broader applications such as producing reports, forecasting HR needs, strategic planning, career and promotion planning, and evaluating HR policies and practices. Having accessible data enables HR planning and managerial decision making to be based to a greater degree on information rather than on perceptions."

CONCLUSION

HR planning is complex activity to apply and to practice it in effective manner. Advanced mathematical models and subjective judgements can enable the organization to hold value adding HR that would buffer challenges posed by internal as well as external environment. But institutions endless practice must be there to enhance this activity through supportive and functional organizational culture. Besides this

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organizations must measure the contribution of their HR resource through balanced score card. This situation demand effectively planned HR. Well articulated HR architecture and effectively built system of HR resource information are the most significant contributors to see strategically planned HR in institutions.

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