

# The Human Resources Strategic Management

**Emil Surlaru**

„George Barițiu” University, Brașov, Romania

E-mail: danielasurlaru@yahoo.com

## *Abstract*

*The most of the specialists value the role of the strategies and the tactics in modern societies development, including in the economic field, especially in increasing the companies effectiveness, but also for mezo, macro and worldwide economic levels.*

*As response to some strong requirements, the strategies are used not only in economic field, but also in other ones: political, military, social, educational etc. In Romania, for each field of activity and each organization is necessary to ground, to elaborate, to adopt and to operate realistic scientific strategies; to accelerate this action in human resources field, the most important organizational resources, perhaps this is the most necessary issue.*

*This article targets the following:*

- I. to provide a short description of the strategic management and the strategy's concepts;*
- II. to emphasize/to highlight the foreign and Romanian specialists points of view out of strategic human resources management;*
- III. to present author's own considerations about strategic human resources management*

**Keywords:** *human resources, strategic management, strategy, human resources management*

**JEL Classification:** O15

## **1. Definition, object and goals of HRM and strategic HRM**

Strategic HRM isn't approached distinct in specialized literature; it is studied only the strategy and strategic management of the company. „Managers and the human resources management”, Economic Publishing House, Bucharest, 2004, the book of a group of specialists coordinated by professor Ovidiu Nicolescu is an important approach in this field that emphasized the specific elements of this issue.

For Armstrong, strategic human resources management presents an integrated approach of human resources strategies elaboration in order to achieve the goals of the organization. This concept is corelated with the strategy concept which for the same author is „direction and the action of organization on long term period in order to create perfect corelation between the resources and changing environment organization, particularly the markets, the customers and the beneficiaries, in order to achieve the shareholders expectations.”

## 2. HRM and strategic HRM definition

The concept of the HRM it appears in the middle of the 80's of the last century, in the same time with the popularization efforts of the management theory by the authors like R. Pascale, A. Athos, T. Peters, R. Waterman who presented some list of the successful companies characteristics. These authors belonging to „excellence school” influenced management theory emphasizing the importance of strong cultures and free commitment as characteristics of HRM philosophy.

The concept of HRM can be presented like a philosophy who governs the way in which has to be treated the organization personnel in its interest. In doctrine there are a multitude of HRM definitions and we present here some of these with the purpose to prove that there isn't unanimity in HRM theory.

A group of Romanian specialists, (Lefter, Manolescu,1999), appreciates that HRM as the concept includes philosophy, policies, procedures and the practices that are used in order to lead/manage the employees.

Other Romanian specialist, (Russu, 1993) considers that HRM assures all the jobs from the formal structure of organization with the adequate employee.

We present some other definition of HRM:

- strategic approach of motivation, involvement and development of the key resources of organization;
- the organization's function that allows to achieve the goals mantaining efficient labor force;
- the settelment of the objectivs in accordance with the human resources, the fulfilment and the control of these in a sistem logic;
- a range of decisions about the employment relation that influence the employees and the organizational effectiveness;
- provide the necessary human resources in order to function harmoniously and effective, but also in order to respect rights of the employees;
- the assembly of the decisions that affect the relationship between the main social partners the owner/employer and the employees in order to assure increasing/high productivity and the efficiency of the economic activity.

Therefore we can define HRM as a strategic and coherent approach of the way in which are managed the most precious assets of organization – the human resources that work in organization and contribute individual and collective to achieve the organizational objectivs.

From this definition result the HRM characteristics:

- the strategic approach of HRM that assures the concordance between business strategy and human resources strategy;
- coherent and comprehensive approach of applying the constructive policies and practices of work relationship by setting integrated human resources politics and practices;
- oriented approach through assumed commitment;

- the organization members are considered assets of organization or human capital in which has to invest in order to assure the possibilities of learning and development in career;
- the human resources are the most important in achieving the competitive advantage;
- the employers and employees relationship approach is unitary/integrated, not pluralistic;
- The HRM achievement and the application are the responsibility of the managers, particularly of executive managers.

The strategic HRM is the way of making the decisions from the organization intentions and plans points of view and it refers to the work relationship between organization and employees and to the recruiting strategies, policies and practices, to the professional training, to the professional development, to the performance management, to the reward and employees relationship management. The main characteristic of the strategic HRM consists of the integrated character: the HR strategies have to be integrated on vertically with the economic strategy of organization and, horizontally, one with each other. HR strategies elaborated within strategic HRM approach are the essential components of the economic strategy of organization.

### **3. The object of HRM**

The strategic HRM deals with the ratio between the human resources management and strategic management within organization. The strategic HRM refers to the general direction that has to be followed by the organization in order to accomplish its objectives with the people's support. It sustains that the top management has to take in consideration all vital factors because the intellectual capital constitutes an important source of competitive advantage. And, in the last instance, due to the fact that the people implement the strategic plan. The strategic HRM is an integrated part of these strategies.

The strategic HRM approaches deals with organizational problems related to the changes of the structure and the culture of the organization, of its efficiency and performance, the resources harmonization with further requirements, the creation of distinctive capabilities, the knowledge management and management of change. The strategic HRM has as object both the fulfilment the requirements of human capital and the development of procedure capacities, respectively the effective capacity to carry on the activity processes. Generally speaking, it takes into consideration any important issue that influences the organization's strategic plan or which is influenced by it. The critical issues which concerns the HRM, like choosing the top management and establishing the main positive types of work relationship, have a strategic importance in any company.

#### **4. The strategic HRM domain of concentration**

The strategic HRM is concentrated on the actions that differentiated the company to its competitors (Purcell, 1999). Strategic HRM elaborates statements of intentions that define the ways of achieving the goals and it concerns with the long term allocation of company important resources and with the concordance of these resources and capabilities to the external environment. The strategy is a perspective of the way in which it approaches the critical problems or the major factors of success, and strategic decisions pursue to produce a major and long term effect on the organization behaviour and success.

The strategic HRM has four meanings:

- means of planification;
- coherent approach of personnel systems of designing and financial administration based on the work relationship policies and the labour forces strategy;
- the harmonization of the HRM activities and policies with a specific economic strategy;
- treating the people from organization as a „strategic resources” for achieving „the competitive advantage”.

#### **5. The strategic HRM goals**

The fundamental goal of the strategic HRM is to generate strategic capability by staffing the organization with qualified, devoted and well motivated people in order to obtain a sustained competitive advantage. Its objective is to assure a direction of action /guideline into a turbulent environment in order to satisfied the organization economic necessities, but also the individual and collective requirements of its employees by elaboration and implementation the coherent and practical programs and politics for human resources. The strategic HRM has to offer unified and in the same time general structural frames, contingent grounded and integrated. When are analysed the objectives of the strategic HRM, it has to be targeted the harmonization of the all stakeholders interests: owners, managers, employees, trade unions, providers, customers, local administration a.s.o; this requirement could become a guideline of management that has to be applied to all organizations (Surlaru, E., 2007).

Now, it can tell that there is the humanist strategic HRM. For Storey (1989) „the humanist strategic HRM” take care more to the aspect of the human relationship from labour forces management, emphasizing the job assurance, continuous development, the communication, the involvement, professional life quality and the balance between professional and personal life. The ethics considerations are important.

„The technician strategic HRM” take more in the consideration the yield that has to be obtained for organization interest by human resources investment.

In the idealistic way, the strategic HRM had to realize an equilibrium between humanist and technicist elements. All the organizations exist in order to satisfy certain human or organization necessities and they have to assure the requirements for this and to use it in appropriate way. But it has to take care of the human considerations of the humanist strategic HRM; it is necessary to plan the activity taking into the consideration the requirements and expectations of all the organization members. The problem is that in many organizations the technicist considerations have the priority in comparison with the humanistic ones.

## **6. The strategic HRM oriented on resources**

The concept of strategic HRM oriented towards resources is grounded on the belief that the competitive advantage can be obtained if the company can attract and develop the human resources, elements that provides the opportunities to learn faster and to apply the acquired knowledge better than its competitors. Many authors have the opinion that the sustained competitive advantage results from efficient achievement and use of some grouped resources structures that the competitors can't copy.

The abilities of the employees as superior performance, productivity, flexibility, innovation and the capacity to assure the high level of the personal service of the customers are the ways by which the people provides an outstanding component for the organization's competitive position. The people are those who manage the interdependencies between functional activities and external environment relationships. It can be proved that one of the evident benefits of the competitive advantage based on efficient human resources management is that such advantage can't be easily copied. The human resources strategies, politics and practices of the organization are an unique combination of processes, procedures, personalities, styles, capacities/abilities and organizational cultures. One of the key for achieving competitive advantage is the ability to differentiate what the company offers to its customers by what is offered by the competitors. This differentiation can be obtained by applying some HR strategies able to guarantee that:

- the company has the high level trained employees than its competitors;
- the intellectual capital of the company is developed and protected;
- it develops a company culture that encourages the organizational learning.

The aim of the resources oriented approach is to improve the abilities of this resource – the achievement of strategic congruences between resources and the opportunities, in order to obtain the added value by efficient resources use. In concordance with the intellectual capital theory, the oriented resources theory emphasizes the idea that human resources investment improves the company value. The resources oriented strategy can develop the strategic capability. The strategic objective is to create more flexible and intelligent companies than their competitors by involving an developing the professional abilities of the personnel.

Therefore, the object of resources oriented HRM strategy is the quantitative and qualitative intellectual capital development of the company. How Ulrich noticed, the knowledge became a competitive advantage for the companies that sold the ideas and relationships. The difficulty for the organization is to assure that has the capacity to find, to assimilate, to motivate and to keep the well prepared people that are needed. A convincing argument for resources oriented HRM strategy is the theory presented by Grant (1991): “When the external environment is changing, the resources and the capacity of the company represent a more stabile fundament in order to define its individuality. Therefore, an organization definition from its capability point of view is able to offer for strategy a much durable fundament then a definition having as basis the market needs which has to be satisfied by the organization.”

The management specialists, the professors Ovidiu Nicolescu and Luminița Nicolescu in a recent book “The economy, the company and the knowledge based management” Economic Publishing House, Bucharest, 2005, present the modern reality in the world and the further main trends in economic field, but particularly in management. They state that for the future it is predicted a sensible distinct situation then the present one. In the 21’s century, the abundance and the power will unfold with priority by the intangible intellectual resources, by the knowledge capital. The knowledge revolution, consist in this based knowledge economy, it is a profound and comprehensive process generating important changes in all economic activity components, similar as intensity with the industrial revolution.

The specialists describe the informational society, informatics, space era, technotronic era (Zbigniew Brzezinski), the new techno scientifique revolution, the overindustrial society (Alvin Toffler), post - industrial society (Daniel Bell) a.s.o. For example, Alvin Toffler in his book “Powershift. The dynamic force” (1995) states: “Therefore the knowledge is not only the highest quality power area, but the most important components of the power and the welfare. In other words, the knowledge is ceased to be an additional element of the financial and physical power, becoming their core. Practically, it is the final amplifier. This is the *powershift* key that is waiting for us and it explains why the battle for the knowledge and means of communication control is increasing all over the world.”<sup>1</sup>

According to Gary Hamel, the economic revolution that is developing in 21’s century is characterized by complexity and unlinear behaviours that asked continous innovation in order to create a competitive “welfare”. The transition from the industrial economy to the new economy in the last 3 decades require three stages:

- 1970 - 1980, when the management was focused on the productive assets improvement;
- 1980 - 2000, in which the value of the intellectual capital was acknowledged and managerial preoccupations were focused on the processes, using the reengineering. This evolution was accompanied by the development of the learning organizations and the managerial infrastructures and practices implementation;

- the beginning of the 21st Century, in which it is recovering the whole system by high inovational effort, building up the knowledge based economy.

The result of the knowledge revolution is the knowledge based economy. It is estimated that in the first part of the 21's century the knowledge revolution it will intensify and as result, the knowledge based economy it will spread out fast in welfare societies and then in other ones.

## References

1. Armstrong, M., (2003) *Managamentul resurselor umane*, Editura Codecs, București.
2. Burduș, E.,(2005) *Tratat de management*, Editura Economică, București,
3. Dobrotă, N. (coord.), (1993), *Economie politică – Economics*, A.S.E. București.
4. Drucker, P., (1955) *The Practice of Management*, Heinemann, London.
5. Gannon, M., (1995) Personal development planning, in *The Performance Management Handbook*, ed. M Walters, Institute of Personnel and Development, London.
6. Goleman, D., (1999) *Emotional Intelligence*, Presentation at IPD Conference, October.
7. Grant, R.M. (1991) The resource-based theory of competitive advantage: implications for strategy formulation, *California Management Review*, 33(3), p14-35.
8. Gratton, L et al (1999) *Strategic Human Resource Management*, Oxford University Press, Oxford.
9. Guest, D. E., And Conway, N., (1998) *Fairness at Work and the Psychological Contract*, Institute of Personnel and Development, London.
10. Guest, D. E., And Conway, N., (1997) *Employee Motivation and the Psychological Contract*, Institute of Personnel and Development, London.
11. Harrison, R., (1997) *Employee Development*, 2nd edn, Institute of Personnel and Development, London.
12. Legge, K., (1998) The morality of HRM, in *Experiencing Human Resource Management*, ed. C. Mabey, D. Skinner and T. Clarke, Sage, London.
13. Lefter, V., Manolescu, A., Chivu, I., ș.a., (1999) *Managamentul resurselor umane*, Editura Economică, București.
14. Naisbitt, J., (1989) *Megatendințe. Zece noi direcții care ne transformă viața*, Editura Politică, București, p. 42.
15. Nicolescu, O., (1997) *Managament comparat*, Editura Economică, București.
16. Nicolescu, O., (1998) *Strategii manageriale de firmă*, Editura Economică, București, p. 37.

17. Nicolescu, O., Verboncu, I. (1999) *Management*, Editura Economică, București, p.129.
18. Nicolescu, O., (coord.) (2004) *Managerii și managementul resurselor umane*, Editura Economică, București.
19. Nicolescu, O., Nicolescu, L., (2005) *Economia, firma și managementul bazate pe cunoștințe*, Editura Economică, București.
20. Odiorne, G., Luthans, F. (1985) *Organizational Behavior*, Mc Grow-Hill Book Kompany, New York.
21. Pătrașcu, N., (2006) *Management. O abordare sistemică*, Ediția a III-a, Editura OMNIA UNI S.A.S.T., Brașov.
22. Pitariu, H.D., (2000) *Managementul resurselor umane: Evaluarea performanțelor profesionale*, Editura All Beck, București.
23. Purcell, J., (1999) Best practice or best fit: chimera or cul-de-sac, *Human Resource Management Journal*, 9(3), pp. 26-41.
24. Rodger, A., (1952) *The seven-Point Plan*, National Institute of Industrial Psychology, London.
25. Rosow, J., and Casner-Lotto, J., (1998) *People, Partnership and Profits: The new labour-management agenda*, Work in America Institute, New York.
26. Russu, C., (1993) *Management*, Editura Expert, București.
27. Scheiin, E.H., (1975) „Individual and careers”, în J. Loisel (ed), *Handbook of Organizational Behavior*, Prentice Hall, Englewood Cliffs, New York.
28. Senge, P., (1990) *The Fifth Discipline: The art and practice of the learning organization*, Doubleday, London.
29. Sisson, K., (1995) Human resource management and the personnel function, in *Human Resource Management: A critical text*, ed. J. Storey, Routledge, London.
30. Stern, E. and Sommerland, E., (1999) *Workplace Learning, Culture and Performance*, Institute of Personnel and Development, London.
31. Storey, J., (1989) From personnel management to human resource management, in *New Perspectives on Human Resource Management*, ed. J. Storey, Routledge, London.
32. Surlaru, E., (2007) *Managementul resurselor umane*, Editura Omnia Uni-S.A.S.T., Brașov.
33. Toffler, A., (1995) *Powershift. Puterea în mișcare*, Editura ANTET, București, pp. 25-26.
34. Ulrich, D., (1998) *Organizational Capability: Competing from the inside out*, John Wiley, New York.
35. Ward, P., (1995) A 360-degree turn for the better, *People Management*, February, pp.20-22.
36. Watkins, K. and Marsick, V., (1993) *Sculpting the Learning Organization*, Falmer, London.