Evaluating the Importance of Strategic Human Resources Management in Enterprises

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ABSTRACT

Strategic human resources management is an approach to decision making on the organization's goals and plans in the form of policies, programs and operations related to employment, recruitment, training, and improvement and management of performance. Studies indicated that strategic management in a knowledge-based economy views human resource as the most important source of competitive advantage for an organization. Human resources strategy has found high position since it has provided a tool for creating competitive advantage and improving the management efficiency. The hypothesis of the close relationship between strategic human resources management and the organization strategy is rooted in contingency management theory. This theory states that human resources management practices are developed based on the form of competitive strategy of the organization. Organizations established high harmony between human resources strategy and organizational activities have showed a better performance than the organizations, where this harmony was low. The role of its using in enterprises is undeniable.

Key words: enterprise; human resources management; strategy

INTRODUCTION

Human resources management is the process of working with people, in a way that these people and their organizations achieve their full potential, even when change, acquiring new skills, accepting new responsibilities, and a new form of relations are required. In fact, human resources management involves using human resources to achieve the goals of the organization. It includes activities such as recruitment of manpower, training, wage and fee, and organizational relations. In other words, human resources management is a function in the organization, maximizing the performance of employees in serving the strategic goals of the employer.

Human resources management is looking for finding the ways of managing people in organizations, focusing on policies and systems. Human resources management units and departments are responsible for some activities, including recruitment, training and development, evaluation of performance, rewards and penalties (for example, wages and fee system management). Human resources management also focuses on human relations, which is the balance between organizational actions and rules resulting from discussions among employees and managers and government laws. In the current work environment, all world companies focus on maintaining the talent and knowledge of the workforce. All companies strive to reduce employees' leave of service and enhance their knowledge. Recruitment of a new workforce would not only increase the costs, it would also increase the risk of recruitment of people who cannot fill the position, in which the previous person was working.

The human resources management department strives to reduce the risk of losing awareness and knowledge by offering attractive fees for employees. Strategic human resources management is a process resulting from
development of human resources strategies. The terms of "strategic human resources management" and "human resources strategy" are used interchangeably in most cases, while they are different from each other. Strategic human resources management is a philosophical and management approach, which includes the organization's goals in relation to its path ahead. The result of this process is the flow of decisions, leading to development of selective model for organization for its human resources management and to define the areas in which specific human resources strategies need to be developed. Human resource strategies emphasize on the organization's goals and the needs which should be met and the needs which should change.

2-Strategy:

Strategy is a concept originating from the military area, and it is widely used in other areas, including economic, business, and especially the political areas. The term strategy is rooted in Greek word "strategema", which means the commander or leader of military. The concept of strategy was first used in the sense of technology, guiding, and coordinating the forces in order to achieve the goals of the war in military sciences. The strategy is a set of main goals and policies and general plans developed in order to achieve the goals of the organization in a way that they can explain in which business and in which type of organization we operate or want to operate. Strategy is a fundamental model of current and planned goals, exploitation and allocation of resources and interactions of an organization with markets, competitors and other environmental factors. Based on this definition, a strategy should specify three cases:

- Defining a strategy should specify three things:
  - A) Which goals should be realized?
  - B) Which industries, markets and products should be focused?
  - C) How resources should be allocated and which activities should be performed to exploit environmental opportunities and exposure to environmental threats in order to obtain a competitive advantage

The strategy is the highest level among the four levels of management, including: 1. Strategic level, 2. Operational level, 3. Tactical level, 4. Technical level.

The strategy means bring power to the scene. In other words, it is long-term plan designed and explained to achieve a specific goal. The strategy includes various working areas including military strategy, marketing strategy, economic strategy, and political strategy.

2-1Talent management strategy:

In today's dynamic environment, organizations should invest on their human capitals continuously and manage the elites as the most valuable resources of organization properly. Talent management is a tool for improving the process of recruitment of people to achieve the skills and capabilities needed to meet the current needs of the organization.

However, talent management is a process which has a prospective approach and identifies and train the individuals needed for the present and future, and systematically identifies the gap between the human capital in the organization and the leadership talents, which an organization need to respond the future challenges in order to meet the needs and achieve the general and specific goals of the organization.

In the current time, change is perceived as an essential factor for future progress. Thus, it is necessary for organizations to keep pace with the changes to survive and lead their employees' talent in line with the changes to achieve the organization's goals. Grossman views talent management strategy as a part of the 21st century changes and is an integral part of the transformational deployment in organizations. Talent management strategy is a tool, which transforms the organization's human resources as vital factor in maintaining a sustainable competitive advantage to strategic priority of organization [32]. Human capital with its two characteristics (rare and inimitable) can bring special benefits for organization. In other words, employees are the key strategic source, which is vital for ultimate success of the organization. Many managers found out that having expert and motivated employees is a way to achieve development and growth. However, after one decade of reengineering and decentralizing knowledge of organizations, employees have not been empowered and they even seem to be tired and leaders continue to focus on the process of work and market outcomes rather than human capital, and their decisions on talent management are inappropriate [36].

This gap reflects the fact that the valuable human capital has been abused somewhere between the theory and practice and it is wasted or lost [31]. However, elites are nowadays essential at all levels of the organization considered as a key strategy in maintaining relative superiority to competitors. In fact, no new thing would be created in organization without supplying the best talents.

2-2-Human resources talent management strategy:

Talent management is a macro-oriented approach, which develops company goals in the area of work force needs and improves the performance of the organization. Talent management ensures that employees are
problems of today's organizations. The strategic management is based on the level of managers' understanding of rival companies, markets, prices, suppliers of raw materials, distributors, governments, creditors, shareholders and customers around the world. This plan is nothing but a strategic plan using comprehensive plan to cope with such issues is being felt more than before. This plan is nothing but a strategic plan. Relying on dynamic, prospective and comprehensive mentality, strategic management is solution for many problems of today's organizations. The strategic management is based on the level of managers' understanding of rival companies, markets, prices, suppliers of raw materials, distributors, governments, creditors, shareholders and customers around the world and these factors are key determinants of business success in today's world. Thus, one of the most important tools, which organizations can use to achieve success in the future, is strategic management.

Strategic management allows the organization act creatively and innovatively and actively to shape its future. This management practice makes the organization to be initiative and influence its activities (rather than reacting only to actions), and accordingly, determine its fate and control the future.

The main advantage of the strategic management is that it helps the organization select the strategic options using more systematic and rational method, and accordingly, develop better strategies. Without doubt, this is one of the main advantages of strategic management, but the results of current studies suggest that this process can play a more important role in management strategies.

Managers and employees are committed to support the organization through involving themselves in this process. Another important benefit of strategic management is that it leads to higher understanding and commitment in managers and employees. It also provides an opportunity to delegate authority to employees. Delegation of authority is a practice in which the employees are encouraged to participate in decision-making processes and practice creativity, innovation, and imagination, and thus, their effectiveness would increase.

The strategic management process can be divided into four stages:

A) Situation analysis
B) Development of strategy
C) Implementation of strategy
D) Evaluation of strategy
E) Situation analysis

3- Roles of human resources management:

Roles refer to specific behavioral criteria needed for each job. These behaviors are expected, more or less, from job workers. The roles of human resource management vary depending on the scope of the organization (the scope of authority and responsibilities):

A) Consultant: As a specialist in human resource management, he plays the role of consulting managers and employees in the area of human resources. This role must be played with cleverness and capability.

B) Supporter: providing services to operational units such as nutrition, treatment, services and operational units lacking resources, time and so on to perform these services and they should fulfill the mission of the organization. Moreover, these services create the opportunity to influence human resource management on operational units.

C) Development of human resources management policy: playing the role of setting the draft of policies and membership in the strategy development committee. It can be effective by providing consultation to other managers and passing the plans.
D) Being creative: As a dynamic role in human resource management, he should take measures to develop the necessary creativity in improving the working methods and processes. Innovative methods should improve the productivity and quality of life of employees and respond to the law in critical situations, ambiguity, and competition of the organization.

E) Mediator: The organization is the place where many employees interact with each other in different tastes and perspectives. The psychological and informal effect of manager of human resources, due to his formal position and duty, manifests as an acceptance among the employees. This will help him act as a mediator and reduce the contradictions and differences among the employees.

F) Supervisor: When complaint from an organization is due to legal violations, the supervisory role of human resources management is highlighted.

4-Review of literature:

Gansrakhan et al tried to explain the performance criteria of human resources in the information technology industry. In this research, researchers classified human resources performance evaluation criteria into two dimensions of financial and non-financial and three levels of strategic, tactical, and operational. Stratton and Warburton emphasize on the role of inventory and the capacity to create agility. Matthias Hologne emphasizes on the role of sensitivity and accountability on market trends, and Patrick Sawford et al emphasize on the role of flexibility on creating an agile supply chain.

In his book entitled "Strategic Human Resources Management", Michael Armstrong introduced three core strategies for human resources. He states that human resources strategies should be integrated with business strategies. He believes that one way to integrate human resource and business strategies is using competitive strategies and agility in the supply chain [3].

Yousef et al consider agile supply chain activities to be cooperation with rivals, long-term cooperation with customers and suppliers, leverage the effects of essential resources by forming network with other companies, hard operating conditions making cooperation with other companies inevitable, a coalition with business counterparts, integrating the information with other companies based on computer systems, giving higher priority to the coalition than market penetration.

In his paper, Adelnia examined the process of changes and constraints in the supply chain and strategic human resources management in the automobile industry in Europe. Results showed that the main changes in the supply chain of the automobile in the last decade included merging and acquiring the ownership of companies, outsourcing, and growth in the supply chain, customer demand, having talented and motivated human resource, continuous training and qualitative development, and maintaining the elite force. Haji and Mohammad Rahimi examined the effectiveness of strategic human resources management using Balanced Scorecard (BSC). After reviewing the literature on human management strategy, Balanced Scorecard, as one of the new and successful approaches in assessing the effectiveness was explained and the way of using it to assess the effectiveness of strategic human management was described.

Parhizghar et al presented strategic human resources management performance evaluation criteria based on the Balanced Scorecard (case study of Iran Emdad Khodrow Company), in which the research population included experts and managers of Iran Emdad Khodrow Company. To collect the data, a standard questionnaire was used. The results of this research reveal that Iran Emdad Khodrow Company has four indices and each of them with a number of criteria including financial (2 criteria), customer (7 criteria), internal processes (10 criteria), growth and learning (8 criteria) can be evaluated based on Balanced Scorecard. Based on these indices, the main processes of the company can be monitored [10]. Using a strategic human resources management perspective, Wu et al. showed that the organization's capabilities differentiate the company from competitors with the use of information technology. In this paper, the effect of information technology development and its alignment with agility capabilities and marketing and financial performance was examined. Their results provided a new perspective on the evaluation of information technology investment in the agility process.

Sakani examined the theoretical perspectives and strategic human resources management performance evaluation criteria and concluded that the ethical factors and customer pressure for the purchase of goods have increased significantly in recent years, so that they enforce sanctions against the organizations which do not respond to their demands. This factor requires audit for companies to monitor and manage the performance of strategic human resources management and to promote reporting mechanisms, which are very important.

John and Jeff presented a book entitled "Human Resource Management: Theory and Practice". In this book, the basics and concepts used in human resource management are fully mentioned, and then, solutions were provided for implementation of these strategies in organizations and companies. In this research, after explaining the basic concepts of the subject, three major strategies for human resources were introduced to be rewards, human resource development, and work force recruitment. Musakhani and Mojarrad identified human resources strategies at Qazvin Azad University with the SPR approach. Studying the issue of human resources at universities, as a place for training capable and specialized human resources, is very important. In this research, a standard questionnaire was used to collect data and stratified sampling method was used to select the sample.
Cestona [40] conducted a research entitled "ownership structure and human resources was used to examine the relationship between ownership structure and human resources strategy in Spanish manufacturing companies. The results of the research revealed a significant relationship between ownership structure and human resources strategy.

Akhavan and Pezeshkan [25] conducted a study entitled "development of a knowledge map-driven framework to formulate human resources in Iranian IT companies. A knowledge map-driven framework was presented to formulate a human resources strategy in order to improve human resources strategy process. The proposed model of this research was implemented in IT companies in Iran, which the results showed the efficiency of the mentioned model.

Baker [29] carried out a study entitled "Human Resources Strategy: A course in higher education." In this research, the basic concepts of the subject were described first. Then, using the alignment for two classes of individual and organizational factors, a framework was presented for developing a human resources strategy in higher education. The results of this research lead to three types of alignment, including vertical (the relationship between people's strategy and business goals), horizontal (the relationship between individual policies), and implementation (to take measure to influence the people) for human resources.

Chen and Huang [43] stated that strategic alignment would be sustainable in order to improve performance and achieve competitive advantage. The theory of strategic reference points provides an optimal structure and defines principles to link between strategic reference points, degree of their change, and the level of consensus among senior managers and employees on strategic reference points. Senior managers set strategic reference points for their organization to show which issues are important and which ones are more appropriate in terms of modeling. Another important research conducted on the development of human resources strategies using the SWOT technique is the research conducted by Gholipour at Behpak Company, in which sub-systems of recruitment, improvement, and maintaining were developed and the research conducted Pourasadi and Hosseini [11] in which the sub-systems of pointed out in the police that it is designed to separate the systems of recruitment and training were developed.

Zahedi and Rafiee conducted a research entitled "evaluation of the relationship between human resources strategies and ethical decision-making strategies with organizational performance: a study in Research Organizations of the Ministry of Agricultural Jihad". In this research, the relationship between human resources strategies and ethical decision-making strategies and organizational performance was examined. The results of this research revealed that at 95% confidence level, the coordination between human resources strategy and ethical decision-making strategy improved the performance.

Akhavan and Pezeshkan [2] conducted a research entitled "A Framework for Development of Human Resources Strategies with an Emphasis on Knowledge Dimension". In this research, a framework was presented to develop human resource strategies with an emphasis on knowledge. The major difference between framework developed in this study and that of previous studies is paying attention to dimension of knowledge as one of the most important dimensions, especially for knowledge-based organizations in strategic human resources decisions. In fact, the innovation and the main result of this research is the framework of human resource strategies, emphasizing on the knowledge dimension. It can be used in today's modern businesses moving to knowledge-based businesses.

Conclusion:
Human resources strategy knowledge, both in theory and in practice, is a new knowledge. The date of its keeping pace with the strategic human resources management plan and the data of emergence of theories and models related to its development back to less than two decades. Before that time, human resources management research had a more comprehensive approach and studied all human resources tasks such as selection, training, and compensation together. Enterprises should have a more modern perspective to human capital. The use of strategic management reinforces and dynamizes this attitude.

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