

Article Type: Q&A From: Strategic HR Review, Volume 7, Issue 1.

Is contemporary HR management strategic?

Leading industry experts answer your strategic HR queries

Vanessa Robinson of the Chartered Institute of Personnel and Development answers this question.

How many times do we read that human resource (HR) professionals are looking to be more strategic? A recent CIPD survey showed that business strategy and goals are by far the most important drivers of future change within organizations' people management policies and practices almost nine out of ten HR professionals who responded identified them as very important drivers for the coming three years ([Chartered Institute of Personnel and Development, 2007](#)). According to research by Boston Consulting Group, top executives share this strategic emphasis and they believe that transforming HR into a strategic partner is of the highest future importance across Europe ([Boston Consulting Group, n.d.](#)).

But what do we mean by strategic human resource management (HRM)? More importantly, how do HR professionals attempt to become strategic and how do they know whether they have succeeded? These are more difficult questions to tackle.

What is strategic HRM?

Strategic HRM is a complex process and opinion on its definition and relationships with other aspects of business planning and strategy varies across writers. One definition provided by the CIPD is:

Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take. It is concerned with longer-term people issues and broader issues around structure, quality, culture, values, commitment and matching resources to future need ([Armstrong and Baron, 2002](#)).

Strategic HRM can encompass a number of HR strategies. There may be strategies to deliver fair and equitable reward, to improve performance or to streamline structure. These strategies in themselves are not strategic HRM, however. Strategic HRM is the overall framework that determines the shape and delivery of the individual strategies.

The organizational approach

In terms of how HR can become more strategic, one popular approach seen in recent years has been around the way HR functions organize themselves. The work of Ulrich has been influential in this respect. He has described a "three-legged stool" model of HR, which involves the centralized provision of administrative activities (or shared services), business partners and centers of expertise.

The business partners in particular are a way to get the closer link to the business agenda. The recent CIPD survey identifies HR becoming a more strategic contributor as the most common benefit from introducing business partners. In the same research, 38 percent of organizations surveyed said they had introduced

business partners.

The introduction of business partners, however, can lead to a number of challenges, such as unclear role definition, continued failure to be strategic and difficulties in finding staff with the right skills and capabilities. This issue of skills and capabilities is of particular importance. One possible solution is to look for future business partners from outside the HR community. Those in line management roles, for example, already have a wider business understanding and perspective.

Taking on strategic activities

A different way that HR can look to be more strategic is through the range of activities it undertakes. Organizational design, internal communications, corporate social responsibility and corporate branding are all areas in which HR professionals are increasingly getting involved. Through these activities HR can be seen to be addressing wide business issues, and delivering business results. It is likely that in carrying out these activities HR professionals will require understanding of and collaboration with a range of other functions, including marketing, strategy and finance, which should help build and confirm their strategic credentials.

In conclusion

In answer to the question posed, contemporary HR management is moving in a strategic direction. However, there is no single HRM strategy that will deliver success in all situations and ensure HR professionals are strategic. What is clear with regards to the introduction of new structures, in particular the business partner role, is that having a structure per se will not automatically lead to strategic contribution. Rather it is the role design and the individual in the role that are likely to have the most impact. Organizations need to define a strategy that is unique to their own situation in terms of context, goals and the demands of organizational stakeholders.

References

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About the author

Vanessa Robinson joined the Chartered Institute of Personnel and Development (CIPD) in April 2004. She is responsible for research in effective organizational design and change management. She holds a first degree in psychology and a masters degree in human resource management. Vanessa Robinson can be contacted at: v.robinson@cipd.co.uk

Pose your questions

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