Lecture 08: The Context of HRD(Contd.)

Welcome back to the third session of second week and in this session we will talk about strategic human resource development. What I mean by strategic human resource development is that we need to develop an action plan a strategy and see that how we can develop this in the process probably we try to link in the link strategy of the organization with the development action and plan of the people.

So what we are going to discuss in this session is that how do we go about linking human resource development plan.

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Session 3

Strategic Human Resource Development

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Defining Strategic Human Resource Development

- Strategic HRD as a systematic process of developing strategic human resources
- It includes talent development, training/development, organization development, performance development, and leadership development
- It enables organization to achieve its strategic objectives- financial performances and sustainable competitive advantages

With the corporate strategy of the organization so in order to start that first of all we will try to define what is the strategic human resource development so when we are trying to define strategic human resource development as a remembering I have already talked about human resource development.

So we are adding this term strategy before this human resource development in order to see that how we can go and develop and action plan that is what a strategy means to develop people and their competencies. So since we adopt very systematic process but developing human resources, so if you are going to define a strategic HRD it is a systematic process that how we can develop human resources.

And when we say that a, strategic human resources means those human resources which are critical importance which are very very talented that is where you need to develop them their competencies then knowledge and skills, so that they are able to contribute to the growth and development. Now what does it mean that a strategic human resources and their development. So it includes basically looking into the talent training and development activities how we go about developing organizations looking at the performance and direction.

So all kind of activities are basically a part of human resource development and then we need to develop nation plan for the developing the talent competence says and then linking with performance and leadership development of the organization. Now what happens if you are going to link strategy with human resource development, so if you are going to link it with

that it will help you to achieve the goals and objectives are the organization not only financial performance.

But also you will be able to compete on a sustainable basis and it is going to provide some kind of advantage where your competitors and rivals to stay ahead in the competition, so that is what sustainable competitive advantage means, sustainable means in on a sustainable basis in the long run, so you are going to compete, because you are compete with the help of the people only. You are going to compete with the help of the knowledge in skill base of that people. That is the most important critical resource for the organization. So when we are talking about strategy human resources it is basically developing the competencies knowledge and skill base of that people which are very very critical for growth and development of the organization.

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Defining features of strategic HRD

- Concerned with the long-term development of human resources in organizations
- Shapes business strategy
- In strategy implementation; it emphasizes learning for the purpose of performance;
- It utilizes a multiplicity of strategies to facilitate performance, learning and change in individuals and organizations;
- Continuously aligned with the strategic goals of the organization.

Now after defining the strategy human resource development let us say what are its features when you say that why you call it is strategy human resource development. Now moving further let us look into some other features of strategic human resource development, when we say strategic human resource developments you are basically concerned with long term development of human resource development in the organization.

So you need to develop an action plan, so that on a sustainable basis you can think about development of human resources, so why we go about developing human resources in a long term. So that you can remain competitive in the market, because if your people have the

talent knowledge on a skill base in the organization probably you will be able to compete with others, your rivals and organizations.

And that is why you need to go for what you call strategic human resource development. And that is where we are going to emphasis on long term development of human resources in the organization. Now moving further, if you look at some other features it means that it also helps you to shape a business strategy.

What does it mean, business strategy or corporate strategy is decided by whom, it is decided by the people. So people have the competence and knowledge probably they would help you to define what kind of strategy would be required, but for that the need that critical knowledge which helps you to define what could be the corporate strategy.

So it is the people who define strategy for the organization. People have competence then these people with the knowledge and skill which they have would be able to define the corporate strategy. Another issue is that when it comes to implementing strategies. Strategies for growth, strategies for development, strategies related diversification or any kind of corporate strategy. Who is going to implement these strategies, it is the people who are going to implement the corporate strategy or business strategy in the organization.

So when I am talking about implementing a strategy in the organization it is possible only when people are competent enough. They know that how to implement a strategy and for that the need to learn. So that they are able to improve performance now the thing is any kind of HRD activity is aim at improving the performance and behaviour of the people. So we have to say that how they are going to perform or behave, when it comes to strategy implementation.

Because it entirely depends upon that kind of competence of the knowledge people have. So it is going to define their performance so far as strategy implementation is concerned. Another important issue is that you are going to not adopted in one strategy, but a number of a strategy, so that the performance of the individual and the organization changes are improves. In other question is that when we are going to talk about individual performance, so you need to adopt certain strategies to see that how their performance is going to improve.

So you need to develop an action plan that is what we called strategy for their growth and development to help them to learn and that is where it is going to facilitate performance. So you are going to develop a strategy at that two level strategy at the individual level, since that you are going to decide what kind of learning and development plan, you are going to have

for the growth and development of the people, similarly we are also going to see that what kind of learning and development plan, you are going to have for the organize.

So what is your strategy for organization growth and development and what is your strategy for your individual growth and development and ultimately you link with organization growth and development with the individual because if individual growth and development is happening, because of the learning that is facilitated then it is going to result in organization growth and development.

So with these defining features let us see that what else is required, it mean that you have to see that how you are going to align the goals and the strategies of the organization with the goals and objectives of the organization that is where you need to create a strategy for the growth and development of the people, so when I am talking about the growth and development of the people what does it mean, it means you have to see that you have decided about the corporate strategy for the growth and development of the people and how this HR strategy for the growth and development of the people is learned with or aligned with the growth and development of the organization.

Now let me give an example, that how you go for a alignment of individual goals with the organization growth and development. Individual growth may be in terms of better carrier prospects promotion, learning and development and then you need to plan a strategy for this, but this strategy you must be linked with the growth and development of the organization say organization is going for diversification. So if organization is going for diversification in a different area suppose organization is into one kind of business and then it is moving to another kind of business.

So in this case of diversification in an unrelated field, now you have to see whether the people who are going to implement the strategy for diversification at the critical competence to do it or not. So what you need to develop is those skills which are required to successfully implement this kind of corporate strategy in the organization. So the role of HRD professional here is to equip people with those kinds of competencies related to strategy implementation.

So that they are in a better position to implement a strategy so in the process what will happen you are going to devise learning and development strategy for the individual so that they equip themselves with the knowledge in a skill base and this knowledge in a skill base is going to help the organization to achieve its goal of diversification which would resulted

better and effective performance of the organization. So that is what I mean by a strategy human resource development.

So what we will do first, first we decide what is corporate strategy? What is the HRS strategy? And how HRS strategy is going to be aligned with the corporate strategy for better organization performance and this has to be done on a regular basis, so that organization remains competitive in the longer run.

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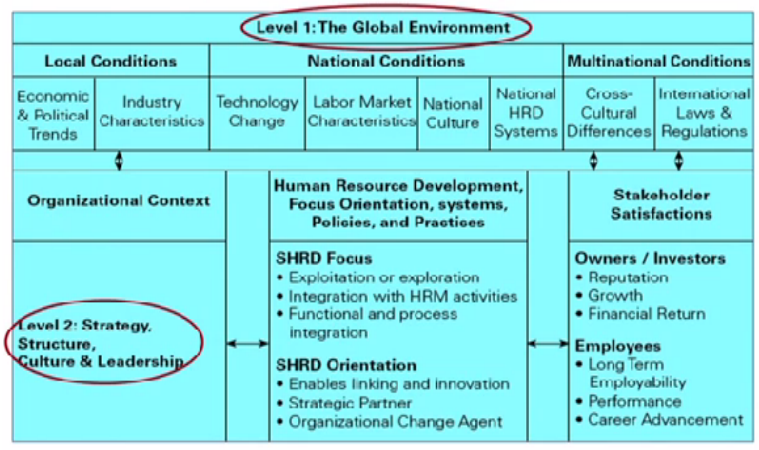
This is what I mean by strategic HRD. The effective models which are available when we go about strategy human resource development, I will discuss two major models here, one is related to urban, their which here we talk about the context and the frame work. If you look the context and frame work it is very very dynamic, because at the first level it talks about the context that is the environment in which we are going to operate and then it talks about the frame work.

So if you look at this model you can see that of the first level, the kind of analysis that you are going to do is that you are going to scan the environment. We scan the external environment. That is what kind of changes are happening in the economic political space, industry which you are operating technology, labour markets, cultures, what of kind of HRD systems have been adopted. What are the cultural and rules and regulations.

So at the first what we are going to do is that you are going to scan the environment in order to see that the extend, obvious this environment to be favourable to you or not the extend obvious this environment is dynamic or not. The idea of the scanning the environment is to identify the level of uncertainty is associated with the environment and the two major factors that you can identify the extend obvious this external environment is static and dynamic. So that is one factor and the second factor is the extent to which various place, the various factors are going to influence your organization, so in the process probably when we are talking about environmental scanning or when we are going to do first level of analysis and we are going to analyse the environment.

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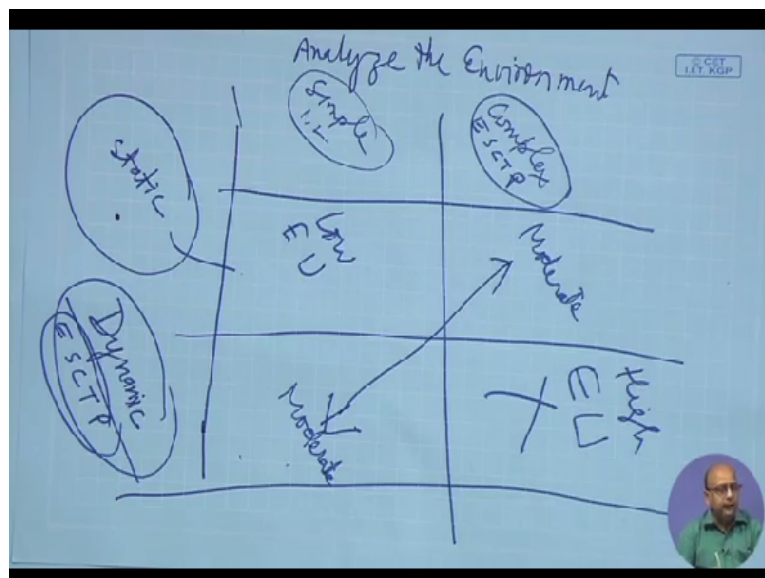
There are two kind of factors that we can identify. You have to see whether the environment is static or dynamic, so the environment is static, it means that the various forces of the environment are not changing very fast, there more or less static there is not much change in the environment. But if you talk about dynamic environment, where you will find that most of the organization are working today, we will find that the organization has the environment of the organization has been very, very dynamic.

It means that economic, social, cultural, technical, political factors are changing very fast, so if these factors are changing very fast it means that the environment becomes very dynamic. In the factor related to they says that the number of factors which are operating are going to influence your organization, so now we have to say whether you are going to work in a simple environment or what you call a complex environment.

So if you are going to work in a simple environment it means that there are very few factors which are going to operate and if more factors are operating suppose only one or two environmental forces are operating which is manageable enough and you are working in a static environment then it is good for you. So your environmental I also suggest that don't need to do much, but if you are working in a complex environment where number of these factors are operating economic, social, cultural, technical, political or other factors are operating, it means that you are going to work in a very complex environment.
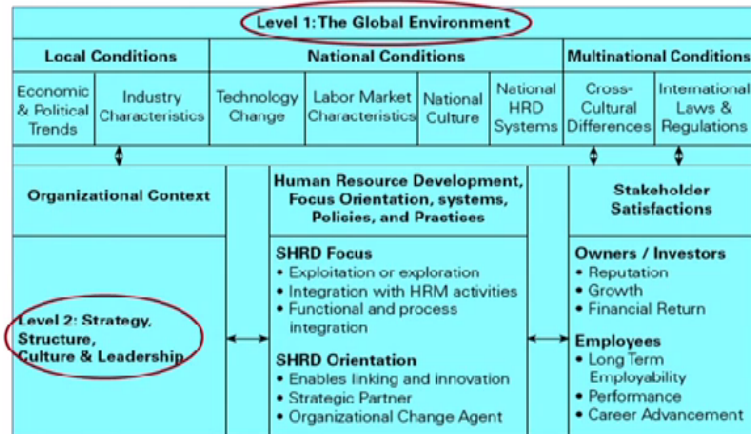
So the level of uncertainty is going to be highest in which case, in this case this is very viable have highest level of environmental uncertainty. So your environmental I also say and in this case what will happen, you will have moderate level. So moderate level of uncertainty means that the action plan your strategy is going to different, in this case you are going to be having high level of environmental uncertainty and this case it is very low environmental uncertainty.

So the basic objective of analysing the environment is to identify what is the level of uncertainty associated with the environment and that is when after analysing the environment and this includes local environmental and multinational conditions. Once this level of analysis is done, then we move to the next level. That next is basically that you are going to say that base on the environmental analysis what your strategy.

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Garavan's model: contextual and dynamic framework for SHRD (2007)

Level 1: The Global Environment							
Local Conditions		**National Conditions**				**Multinational Conditions**	
Economic & Political Trends	Industry Characteristics	Technology Change	Labor Market Characteristics	National Culture	National HRD Systems	Cross-Cultural Differences	International Laws & Regulations

Organizational Context	Human Resource Development, Focus Orientation, systems, Policies, and Practices	Stakeholder Satisfactions
Level 2: Strategy, Structure, Culture & Leadership	**SHRD Focus** • Exploitation or exploration • Integration with HRM activities • Functional and process integration **SHRD Orientation** • Enables linking and innovation • Strategic Partner • Organizational Change Agent	**Owners / Investors** • Reputation • Growth • Financial Return **Employees** • Long Term Employability • Performance • Career Advancement

What is your strategy is directly linked with the environment. So the environment provides a context for the organization to operating. So the second level you are going to decide about the strategy. So what would be your strategy?

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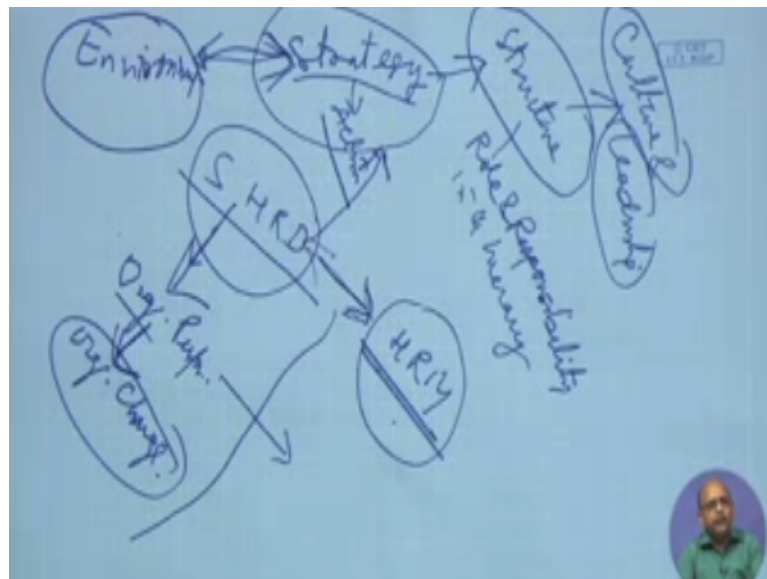
So your strategy is basically influence by the environment. Depending upon the kind of environment that you have, you are going to see that what would be your corporate strategy that is your action plan. You can go for different kind of strategy you can go for you can go merchant requests and you can go for a strategic analysis. So there could be a number corporate strategies that could be adopted, or you can in other terms you can go for competitive pricing strategy.

So there could be a number strategy that could be adopted by the organization. Based on the strategy you are going to decide about the kind of its structure that you are going to have. What I meant to say about the structure is that the rules and responsibilities of the people. And this rules and responsibilities is going to define in the structure of the organization in a hierarchy and based on this you are also going to define what kind of culture and leadership you are going to have that is required to be effective and perform well.

At the second level of analysis you are basically look at this factors, so environment is going to decide the strategy. Your strategy is going to decide what kind of a structure you are going to have and based on this you are going to have kind of what you call your culture and leadership and this has to be compatible with each other. Now based on this analysis you have identified those strategy or structure based on the environment analysis, you decide what would be the focus of the human resource development activities.

What kind of strategic HRD are going to have and how this strategic HRD is integrated with HRM activities. What is your developmental action plan for the people and how it is aligned with other HR activities like to main performance management reward system and these kind of things. So you need to go for integration of these functional activities with the process activities. So you have to see that how look at enable to ensure that people are innovative and creative enough through these policies.

How people become his strategic partners those who are help you to decide about this strategy. And you also need to see that various holders the processor are satisfied organization is able to grow and develop employees are also able to grow and develop, so that is the second level of strategy. Moving to the third level where you are going to decide about the kind of systems and practices that you want to adopt for human resource development. In terms of the competency mapping, in terms of the training in terms of their leadership development all kind of activities.

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Peterson model of Strategic HRD
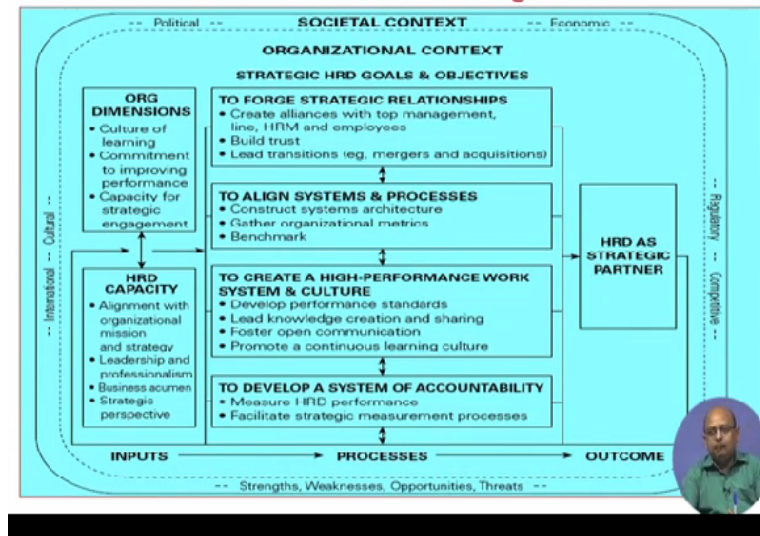
Is basically a part of strategic HRD which needs to be link with origination performance and the dimensions organizational performance that to be continuously try to improve innovative yourself. You make sure that the knowledge management activities takes place. Your leaders are transformation in HR and these kinds of things and organizational performance and associated factors what you called organizational change, so if organizational is performing well.

So you are going to continuously change and improve yourself so that you are able grow, you are going to be more effective. That is related to outside, now when it comes to internal customer you also need to see that yes what kind of quality programs are going to offer. How this program is strategic HRD is align with a human resource development and in terms of organizational performance when you are going to measure it, it could be related to quality, efficiency and all kind of things.

So this is the model which basically talks about first you scan the environment identify the strategy structure and culture look at your HRD aligned with your HRM see how it is going to important performance. So this is the model of strategy human resource development. Moving to another model that is more or less, it is in model of strategic HRD it also talks about more or less the same thing first of all you have to look at the context of the organization that is the environment look at the organizational dimensions.

How it is going to be aligned with HRD capacity and then middle of that you can see that yes you need to go for some kind of align strategic relationship, that how top management is going to create lines with HR activities in the process they try to build trust and good

relationship and then it leads to developing a kind of system for the HRD. And then you are going to Benchmark practices standard practices and then finally this leads to what you call a high performance work system and culture resulting in better HRD performance.

And in the process we are going to as the strategic HRD as the strategic partner and that is where you have a very important role. You are going to identify your strength weakness is opportunity in this because that is a part of you analysis where you are going to look into your social organizational political and work context so that is relate to them, so with in this border of frame work you are going to talk about the strategy how this strategy structural.

And culture as related or aligned with corporate strategy or HRD strategy and then how this HRS strategy is importing the system what kind of system you are going have for that and then how it is related with the high performance work system to deliver better HRD performance. After discussing these two models we are moving further to discuss some other issues related to see.

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Linking Corporate and HR Strategies

Company's Competitive Environment
Economic, political, demographic, competitive, and technological trends

Company's Strategic Situation

Company's Internal Strengths and Weaknesses

Organizational Performance

Company's Strategic Plan
For example
· Should we expand geographically?
· Cut costs?
· Diversify?

Company's HR (and Other Functional) Strategies
What are the basic courses of action HR will pursue to ensure that the recruiting, selecting, training, appraising, and compensation systems are consistent with the company's strategic plan?

That is what I am trying simply it here that how we go about linking corporate strategy with HRS strategy at the first level of analysis what we did we try to examine the environment. The level of environmental uncertainty that is associated with the organization, so that is why you are going to looking to various kind of trends related to the external environment. From there you are going to derive a corporate strategy.

Deriving you corporate strategy at the same we also look at whether you have the strength to execute and implement these strategies are brought. So corporate strategy actually is based

on two kinds of analysis internal analysis and external analysis so external environment analysis gives you an idea about environmental uncertainty and the kind of environment in which organization is going to operate.

Internal analysis tells about the strength and weakness of the organization whether you have competent people work kind of systems structure culture processes you have, because both of them are going to see the kind of strategy that you are going to devise. Similarly your strategy leads to what you want to do whether you want to go for diversify what to go for cost cutting, whether you are going to more innovative and product and processes.

So depending upon your corporate strategy you are going to decide about what would be your HR strategy related to both management and development and ultimately it is going to be related with your organizational performance. So that is how you are going to link corporate strategy with HRS strategy. So the idea is that you can translate strategy into HR policies and practices and that is what I have discussing now is that how we go about learning HRS strategy and the extends with corporate strategy. So once you have decided about your HRS strategy this is the strategy goals of their organization.

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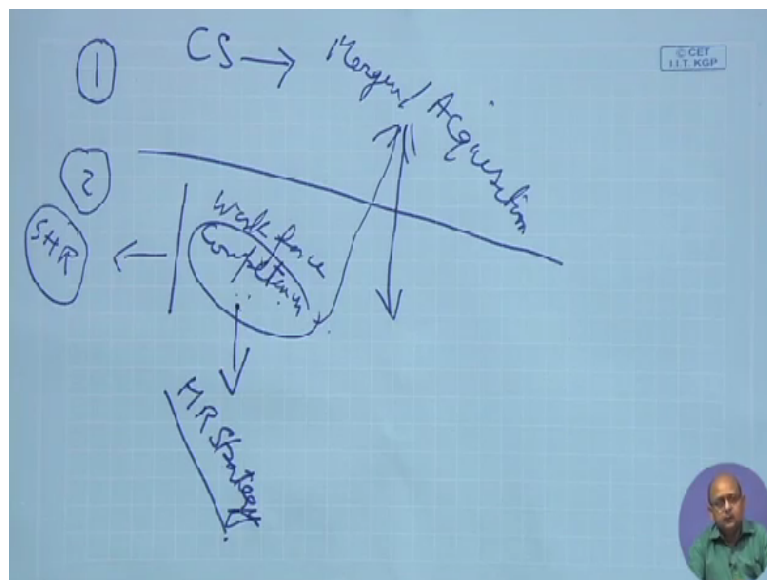
Say for example taking one example of a case that corporate strategy is merger or acquisition so this is the corporate strategy. Then this is goals and objectives with the first level that is we are going to formulate the business strategy. Next level you are going to see work force requirement. That is if you are going for acquisition whether work forces competent enough to handle this kind of acquisition or not.

Whether your work force is competent enough to deliver the kind of result that you are expecting from merger or acquisition. So you have to see whether your HR is going to deliver effective results so far as merger or acquisition results. So as a part of strategic HR what you need to look into is that you need to develop these competencies so that you are able to contribute effectively to merger or acquisition. So in order to have work force competencies you need to develop your HRS strategy and this HRS strategy basically help you to produce competent employs so that they can contribute effectively to the merger or acquisition and then you also have that the extend to they have been able to do it.

In terms of better performance have successes or you can also use HRS score card, I will talk about that let us says to see the effectiveness of the major that is taken by the HR of the kind of the strategy and they extend to which the strategies have been successful.

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Strategic HRD and its implications for the organization

Strategy	Implications for practice
Diversity of the SHRD portfolio	• Utilize competencies to drive SHRD interventions. • Provide customised and personalised learning interventions. • Emphasize non-formal and informal in addition to formal learning strategies. • Utilize new technology to encourage self-managed learning. • Blend learning solutions synergistically.
Ensure speedy delivery of SHRD strategies	• Utilize just-in-time learning strategies. • Systematically identify learning needs and provide quality learning solutions. • Shorten significantly the time from needs identification to delivery of solution. • Ensure that learners have access to learning resources on a needs basis • Avoid one-size-fits-all solutions and be aware of shelf-life issues.

So look at this, how we are going to implement a strategy human resource development the organization, it depends upon how diversified is your portfolio is it means that what is the competent based of the people and for that whether HRD professionals are able to provide the kind of learning interventions.

That is required from the organizational site say for example when you the organization is going for merger or acquisitions, so at what it states people are going to participate in the process and whether they had the competencies to participate at different stages of merger and acquisition or not, so you need to provide customise and ensure that people had those

competencies to see that these kind of activities or these kind of strategy of the organization is successful.

You can make use of technology, you can identify that what are the different kind of activities that can be planned or learning solutions, so that people are having those competencies. At the same time you need to ensure that you are going to deliver this competencies are make sure that people have this competencies at that it is required. If you are going to be proactive that is what a strategic HRD means, that you need to develop your national plan understand the business plan or the knowledge of the business and the strategy of the organization.

And accordingly you decide what kind of learning needs would be there and then develop designed programs to deliver these kind of requirements to the people, So that they are able to develop it and perform well.

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Strategic HRD and its implications for the organization

Communicate SHRD strategies to all stakeholders	• Ensure employees are aware of development opportunities. • Develop appropriate learning-management systems. • Use technology to communicate to stakeholders.
Leverage knowledge and tacit learning	• Establish strategies to ensure that organizational knowledge is readily available. • Utilize communities of practice to share tacit learning. • Learning occurs everywhere and it should be leveraged throughout the organization. • Codify valuable knowledge for effective knowledge sharing. • Capture 'real time learning' and use real organizational changes as vehicles for learning.
Focus on the learning transfer environment	• Focus on managing constraints to learning transfer. • Ensure that managers and peers are supportive of learning transfer. • Develop the capabilities of employees to apply learning. • Develop strategies to promote reflection and capture employee learning.

Similarly you can also say that you need to communicate people, this is our strategy to handle various issues with the organization development. So you have need to identify what are the opportunity that is people available what kind of technology is going to be there how it is going to help organization to execute and implement their strategies.

So you have to see that how knowledge and a skill is going to help the organization to effectively contribute to the success of the organization and for that you need to look at various knowledge management activities translating tacit knowledge into the expressing knowledge making sure that this kind of knowledge is available to people, so you need to share these kind of knowledge need to ensure that people learn these things has when it is

required and they are going to make use of it. The most important thing is that you need to facilitate to ensure that knowledge leads to action. And people are able to transfer their knowledge at the work place to perform well and that is where it has better implications.

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Top management commitment and support

- Top management initiators of a key policy related to SHRD.
- Top management being convinced about return on investment a key hallmark of top management commitment.
- Top management commitment to support a HRD initiative during a significant economic downturn.

In the process what is more important is that you require top management commitment and support. If you are going for a strategic HRD and you are really want to prove your worth for the organization, you need to ensure that is they initiate the policies and they would initiate this kind of policy only, they are sure that yes, HRD is going to contribute to the growth and development of the organization and similarly you also need to see that yes.

They are convinced about that these activities are going to better return in terms of better performance of the people and whatever strategy they are going to have which is going to help in executing and implementing those strategies are better organizational performance and if once they are convinced then there is no problem and then you can commitment from the top management about your HRD activities.

And then they would be able to support these kind of activities even if the organization not doing too well, because now top management understands that yes these kind of activities will take them upward and probably they would help us to come out of this kind of economic research, because it ultimately it is a competence and knowledge of the people which is going to help the organization to grow and develop.

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Categorization of Strategic HRD Activities
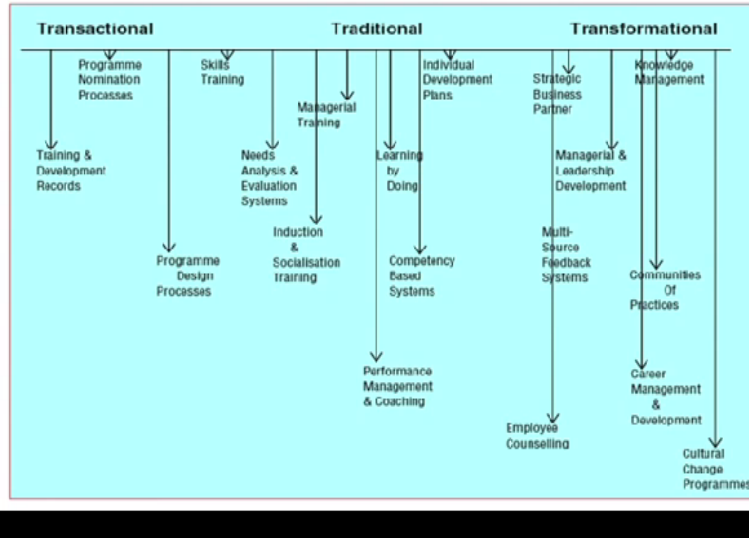
Now if you look at different kind of strategic HRD activities so that could be classified into three categories that is transactional, traditional and transformation. Transactional where you have this all kind of records and this kind of things how it is designed and when it comes to traditional then basically you have all kind of training programs and how we are going to designed developed training programs, management development programs are competency trainings.

These are the traditional things now the more advance transformation strategic HRD activities include that you try to be a business partner you are going to involved and knowledge management activities, so you are able to transfer tacit into explicit knowledge and then it is available to the people and you also look into counselling management development program and you are actually participating in the cultural change program, so if you look at from transactional, traditional and transformation that has been led of advances in strategic HRD activities.

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Example: Strategic HRD at Dell

- Created the office of Dell Learning-
  to align learning with key business goals,
  to make learning available to everyone who
  needed it,
  to create clarity around competencies required
  for continued success
  and to provide Consistency where required
  through global curricula

And I am giving you finally two examples to explain this is Dell computer there is a example of how they have gone for a strategic activities and what they have done basically in order to ensure that HRD activities happens they have created office of Dell learning and this office of Dell learning is responsible to see that how learning is aligned with key business goals and objectives make sure that it is available to everyone who service is requires it.

It means it is available and they also see that what the kind of competency is that would be required but the people that today but on a long term basis and that is how Dell is going to compete with the counter parts. And they also in need to ensure that okay, their curriculum is benchmark and they have the best curriculum which can be compared with anybody else in the organize that particular level. Now this is the another company Reliance India, it is a Indian company.

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Example: Strategic HRD at Reliance

- Global character
- Multi-functional
- Multi-disciplines
- Achieving full potential
- Personal & professional excellence
- Balancing work & personal responsibilities
- Performance linked incentive scheme for all employees in assistance with international consultants.
- 'Manufacturing leadership programme' for senior executives from manufacturing dept., in association with Hewitt associates.

If you look at their HRD activities you will find that yes it has a global characters is a very big company it is multi functional multi supply in nature and also they try to achieve full potential of that people. So they try and see that the potential is realized by the people and they are able to make use of that in order to perform well.

And most of the HRD activities are aim that personal and professional excellence and all they are try to see that okay in the real most that you are going to balance your personal life with your life and they have also associated with performance, so that people are motivated enough to perform well, so they have performance links and send it for all employs and they have recently started this manufacturing leadership program for senior executives and associated with Hewitt and that really held them to develop the leaders and that is basically kind of what you call a transformation strategic HRD activities.

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Session 4

HRD: Influence on employee behavior

So that is all thank you very much.