

STRATEGIZING STRATEGIC HUMAN RESOURCE MANAGEMENT

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ABSTRACT

The trend toward approaching human resource management practice from a strategic perspective has slowly continued to increase in popularity in organizations. Human resource management education continues to attempt to develop courses and meaningful learning experiences that allow students to understand the nature of strategic HR, largely in tandem with continued criticism over the relevance of management education in general. This article presents a field-based learning experience that allows students to investigate and analyze an organization's HR practices and policies from an integrated and strategic perspective.

BACKGROUND

Recent work on high performing organizations has focused on the impact of HR practices and policies on organizational performance (Chand & Katou, 2007; Godard, 2004). A number of studies have uncovered a direct relationship between individual human resource management practices, and/or internally consistent systems of HR practices, and organizational performance (Arthur & Boyles, 2007; Huselid, Jackson, & Schuler, 1997; Jackson & Schuler, 1995) while others have illustrated an indirect relationship between individual HR practices and/or HRM systems and organizational performance (Belanger, Edwards, & Wright, 1999; Ferris et al., 2007). Empirical studies have also been conducted in tandem with case studies which look at HR practices within specific organizations. One noteworthy study of the Mayo Clinic, one of the world's top health care institutions, illustrated how strategic HR practices have enabled the organization to achieve its strategic business objectives as well as to create a culture that exceeds customer expectations and earns deep loyalty from customers and employees alike (Ramlall, Welch, Walter & Tomlinson, 2009).

In spite of the importance being placed on strategic human resource management, many organizations have been slow to transform their HR function into one which is truly strategic and proactive rather than transactional and reactive (Mello, 2011). Similarly, many courses in human resource management offered in colleges and universities have not adopted a strategic approach to the study of human resource management. In many instances, "strategic" may be in a course or textbook title but the delivery of the course fails to integrate any holistic strategic perspective to the study of HR. One survey of course syllabi found that organizational strategy has generally received inadequate treatment in courses which profess to be about strategic human resource management (Chadwick, 2005).

In addition to this, some prominent widely-cited works have been critical of business school education, in general, as being too disconnected from actual management practice (Porter & McKibbin, 1988; Pfeffer & Fong, 2002). In response to these and other criticisms, it has been

recommended that business schools mandate field-based learning experiences to make their degree programs more relevant for their students (McCarthy & McCarthy, 2006). The assignment of field-based learning projects to students has been found to enhance not only their technical knowledge and ability to apply theoretical course material but also to develop their ability to work as part of a team and their entrepreneurial skills (Giunta, 2008).

Particularly within the HR discipline, there is a tremendous need for creative design and implementation ideas for field-based projects related to the effectiveness of HR practices (Burke, 2008). It has been noted that there is relatively little material that discusses the use of various experiential learning formats for human resource management students (Madsen, 2004). For the limited experiential exercises that do exist, instructors have found that the use of such learning strategies have heightened student understanding, interest, and ability to apply the material covered in class (Gruys & Stewart, 2007).

Given the importance of understanding the strategic aspects of human resource management, the value of field-based learning opportunities in HR and the overall lack of activities which connects the two, a critical challenge for HR education is developing courses, and particularly learning experiences, which allow students to see the relationships among HR practices, the presence (or lack thereof) of an integrated, strategic approach to HR and organizational performance. Presented below is an exercise which does just that.

THE EXERCISE

To allow students to understand an organization's HR practices and systems in total as well as their relationship to the organization's overall strategy and performance, they are required to complete a consulting project in which they investigate, analyze, and report on HR practices and systems. The guidelines students receive for this assignment are presented in the Appendix. Depending on the instructor's preference, class size and learning objectives for the course or assignment, this can be conducted as an individual or group assignment as the author has had success with both variations.

The detailed guidelines which students receive provide specific questions for their investigation. The assignment is presented during the first class meeting and time is set aside during each subsequent class session for students to ask questions about the assignment pertinent to the subject matter of the particular class as well as for the instructor to provide some specific guidelines and recommendations regarding how the subject matter of the class session can/should be investigated as part of the project. The exercise has been deployed in a traditional 15 or 16 week semester format. While it could be utilized in a more condensed, intensive course delivery format, it is the type of assignment which requires a good deal of thought, reflection and analysis.

Allowing time for questions and class discussion of the assignment as it pertains to particular topics has proven to be important strategy in ensuring student success. This time allows the instructor to clarify more clearly any expectations relative to what students should investigate and present relative to the particularly topic (i.e., workforce or HR planning, performance management, etc.) and also allows students the opportunity to disclose some preliminary findings for instructor commentary or class discussion, as students see fit to do so.

While no minimum or maximum length of the written project is required, students are advised that if they are unable to present at least 2-3 pages of text, not including supporting documentation or exhibits, for each major subject heading, they have probably not investigated the area in sufficient depth or analyzed what they have learned in sufficient depth. Final papers are typically in the range of 30 - 40 pages of text but, again, no minimum or maximum page requirements are mandated. As per my policy with all student written work, I accept full or partial drafts of the paper for review and commentary throughout the semester. Typically those students who avail themselves of this do so once, regardless of whether they present a draft of the entire paper or just a particular section (or sections), to ensure that their levels of investigation and analysis meet expectations.

Students are advised at the time the assignment is presented to them that the selection of their organization for analysis is often a critical success factor for the project. In selecting an organization to analyze students need to first ensure that the kinds of information they need to access and the data they need to collect will be accessible to them. There is typically no problem associated with obtaining information relative to any specific content area once students have told those in the organization about the assignment and the nature of the information they'll need.

The one issue that does arise with some regularity is that of confidentiality. Some of the information and materials students may need to access to complete the assignment may be considered confidential or highly proprietary, such as trade secrets, competitive strategy or compensation policy. Students are encouraged to directly address this confidentiality issue with whomever they initially contact in their organization at the time of initial contact. There have been several instances in which students have gotten deeply involved with the project and their organization to find that data or information critical to their analysis will not be made available, resulting in the need to start over with a new organization.

To facilitate this process of information access, students are instructed to offer to sign confidentiality agreements in which they promise not to disclose outside of their written assignment any or all of the information presented to them or their analysis of it. As an instructor I have also agreed to sign numerous confidentiality promises as well to ensure the organization that I will not use information I read other than for evaluative purposes of the student's work nor will I disclose it to others. I usually have students do an oral presentation to the class based on their paper and organization at the end of the semester. In such cases I allow students to inform the class without penalty that certain supporting material is confidential as long as they are able to present it to me in their written analysis.

CONCLUSION

The assignment has been used for students in a survey MBA course in HR, in a capstone course for graduate students enrolled in an MS in HR program and for advanced undergraduates who have completed a survey course in HR and have taken strategic management or are taking strategic management concurrently. Anecdotal feedback has been consistently and universally positive. Students admit that the assignment requires a good deal of work but also presents a unique and extremely valuable learning opportunity which otherwise might not be available for them. Some students or student groups have presented the reports directly to their organizations

in writing and/or via a formal presentation which has further developed their presentation skills, confidence and professional networks. |

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APPENDIX

STRATEGIC HR AUDIT AND CONSULTING PROJECT

You are to analyze an organization in which one of you currently works or has recently worked. If you choose an organization in which one of you has recently worked, be sure that it will be possible for you to have access to that organization. You will need to be able to obtain observational and interview data as well as some organizational records and documents (some of which may be confidential) from this organization. If you work in a very large organization, you may study an autonomous subsystem of this organization but check with me before doing so.

In doing the research for this project, assume the role of a management consulting team required to prepare a written research report about the organization studied. **Your report should examine all of the various HR systems in place in the organization (human resource planning, staffing, performance management, training and development, compensation, labor relations, legal compliance, etc.) and assess their fit with the organization's strategy.** This report should be professional in appearance, neatly typed, grammatically correct, and show evidence of thorough proofreading. Careless errors in presentation will be severely penalized.

Your paper should have a methodology section explaining what you did, with whom you spoke, and how you obtained your information. It should have an introduction in which you describe your organization (identify products / services, size, location(s), number of years in operation, etc.), its strategy and objectives and the larger environment in which it operates and it should state what you plan to do in the paper. It should also have a conclusion with

recommendations. If you quote anyone directly, you should footnote these quotes. If you use outside references, you should have a bibliography arranged in a standard format. Pages must be numbered.

More specifically your paper should utilize the following headings to report your findings and discuss your organization:

- Introduction
- Methodology
- Company Strategy
- History of HR in the organization
- HR Strategy
- HR Planning
- Compliance
- Staffing
- Training and Development
- Performance management
- Compensation
- Employee/Labor Relations
- Separation
- Strategic or Traditional HR?
- Challenges
- Recommendations

In order to answer the questions below, you will need to interview people who can give you information and to observe some things for yourselves in order to check on the accuracy of the data you are given. It is very important to be specific in your answers and to offer evidence to substantiate your assertions by citing specific examples of events and behaviors within the organization. It will be fatal to wait until the end of the semester to work on the paper. Instead, you should do a little work on it each week, preferably gathering data on the material we have just studied. Applying yourself to this assignment can provide you with two benefits: allowing you to develop proficiencies in systemic organizational analysis by collecting and evaluating data, and allowing you to develop insights about your organization that can be of significant benefit to you as you progress in your career. Past students have found this assignment to be a good deal of work but also extremely beneficial and rewarding.

Points to Be Included in Your Analysis

Describe the organization's short and long-term strategy. What impediments to success exist within the organization? What specific changes would you recommend to the organization to assist it in facing the future?

Analyze and describe the organization's current HR systems (i.e., planning, compliance, staffing, training and development, performance management, employee/labor relations, separation, etc). To what extent do existing HR systems assist or hinder the organization in its

performance? What evidence do you have to support this? Does the organization evaluate its HR systems, programs, policies, etc.? How? How should / could it?

Is the organization effective in meeting its goals and objectives? How do you know? How does the organization know? Does HR appear to contribute to the organization's effectiveness or lack thereof?

How were the existing HR systems developed? By Whom? When? For what purpose? Are they still relevant? Have they been redesigned?

Does senior management value the role of HR in the organization? What evidence do you have of this? What role does the senior HR manager play within the top management circles? Do line managers in the organization see themselves as HR managers?

What ongoing or new challenges from the organization's environment are on the horizon? Is the organization prepared for these changes from a corporate strategic perspective? From an HR perspective?

Most importantly, what recommendations would you make to the organization concerning HR systems in order to improve performance? Are these recommendations feasible and practical (meaning likely to be implemented), given the organization's history, culture, resources and management team?

The above questions are merely guidelines. If they leave out anything of significance in your organization, feel free to include it. Throughout your analysis you should determine why everything is as it is, diagnose systems as having an appropriate or inappropriate "fit" with each other and the organization, and make any necessary recommendations for changes.