
INTEGRATION OF HRD AND ORGANISATIONAL STRATEGY

Anju Grover*

INTRODUCTION

Human Resource Development (HRD) is an important and very attention receiving discipline of present time. It is a relatively young academic discipline but an old and well- established field of practice. Researchers have developed new theories and conceptual frameworks that address broad range phenomena of interest to HRD profession. A key area of inquiry has been to try and figure out the current boundaries of HRD but defining HRD has not been so straight forward, and the writers and researchers are continuously debating the issue, and there seems to be no consensus, despite of the fact that numerous efforts have been made to define HRD. According to Rao (1995) the scope of HRD is extended, at one side, to developing competencies of human resource by enhancing knowledge, building skill, changing attitude and teaching values, and at other side, creation of conditions through public policy, programs and other interventions to help people to apply these competencies for their own and others benefits and making things happen.

*Lecturer , Department of Commerce, M.L.N. College, Yamuna Nagar, Haryana

OBJECTIVES OF THE STUDY

The core objective of this paper is to present an organizational model of HRD which shows how it integrates with organizational strategies.

Research Methodology

This research article has been developed from descriptive secondary information searched by reviewing literature about Human Resource Development (HRD) and Human Resource Management (HRM), published in research journals in the form of research articles and books of Human Resource Scholars on this topic available on the web.

What is HRD

HRD is considered by scholars of Business Administration as a sub- discipline of Human Resource Management (HRM), concerned with developing productive skills by imparting training. HRM scholars, Warner and DeSimone defined Human resource Development (HRD) as: “a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands”. Harbison and Myers offered the first definition of HRD in 1964. This definition is very broad in perspective, as it elaborates HRD in relation to culture, the economy, social and political context rather than individuals and organisations. They defined HRD as: “ HRD is the process of increasing the knowledge, the skill and the capacities of all the people, in a society. In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, HRD prepares peoples for adult participation in the political process, particularly as citizens in a democracy. From the social and cultural point of view, the development of human resource helps people to lead fuller and richer lives, less bound to tradition. In short, the process of HRD unlocks the door to modernization.

HRD can be defined from organizational point of view as“HRD is organized learning activities arranged within an organization to improve performance and personal growth for the purpose of improving the job, the individual and the organization”. HRD is the process of determining the optimum methods of developing and improving the human resource of an organization and the systematic improvement of the performance of employee through training, education, development and leadership for the mutual attainment of organizational and personal goals”. Byren, (1999) is of the opinion that HRD is a function in an organization that provides

opportunities for an individual worker to improve current and future job performance, while simultaneously best utilizing human capital in order to improve the efficiency of the organization itself. Ideally, well- developed and well- implemented HRD systems are integral to the company's strategic plan and benefit both the employee and the company. Livingstone. Raykov (2005) quoting some studies analysed that with the current expansion of the global economy and fast- changing evolution of technology and innovation, organization are facing an ongoing need for employee learning and development. As knowledge increasingly becomes a Key factor for productivity, it has also become a currency for competitive success understanding factors that contributes to organizational learning and the transfer of knowledge to the workplace environment are essential to Human Resource Development (HRD). The culture and environment of an organization can influence the types and numbers of learning-related events and employee job satisfaction as well as employee motivation to transmit newly acquired knowledge to the workplace context.

Need and importance of integration of HRD and organizational strategy

A key challenge faced by organizations is the question of how to integrate traditional Human Resource Development activities with the strategic viewpoint. This calls for a changing role for Human Resource Management. Human resource department were in the past often accused of setting up system isolated from the rest of the organization. To be able to integrate human resource issues with top management's vision of a company's future, the department should capture a more strategic role. Human Resource Development is one of the most important factor contributing to future competitive advantage. Nevertheless, one still need to ask how to make human resource development systematic and bring it in line with the corporate vision. The rational for including the development function in strategic planning is persuasive but frequently ignored. In some cases, the development function remains outside strategic planning and even uninformed about plans after they have been made. For the people who manage human resource development activities, it is crucial to gain access to and participate in strategic business planning. Otherwise there is risk that business strategy lacks people who are prepared to implement it. An organization's strategy provide a practical viewpoint on what should be done and how to do it. Strategy guides decision makers on all levels to what is essential in relation to goal and the current state. A well-formulated strategy guides the use of human resources to meet the needs of the changing environment. Thus, strategy is the foundation for any long-term

Human Resource Development in organizations. With the globalization and liberalization of economy, the strategic planning for HRD has gained importance mainly due to fast changing company environment and dynamic and less predictable environmental pressures. Companies in this turbulent environments experience the need for HRD that is closely linked to the daily work of their employee and the specific company's situation, now and in future. This means that HRD programs and other learning events have to be aligned with organizational goals, objectives, problems and developments so that organization's members acquires the knowledge and skills needed within the context of the changing objectives of the organization. These program have to be developed in a strategic planning process. An integrated method for strategic HRD planning in companies is outlined such as the need of a planning process at strategic, tactical and operational company level, but the importance of four aspects of strategic HRD Planning, i.e. participation, information, formalization and decision making is also explained. Companies have to involve all relevant stakeholders at each company level, whenever possible and functional. In order to arrive at an integrated HRD plan in a horizontal as well as vertical direction, essential information for problem solving needs to be gathered in formal and informal consultative structures, while different kind of HRD goals and objective should be formulated at all company level. By focusing on these four aspects at all company levels, the HRD planning process will result in strategically aligned programs in which employees acquire the competencies necessary to improve performance and organizational effectiveness. HRD then will become effective. HRD representatives needs to play a key role as HRD consultants in order to support other stakeholders in the aligning process. HRD is a new discipline, still in development and searching for a clear identity. Before the term HRD became current, training, education and development were used as expression for learning intervention in companies. Training concerned the learning of knowledge, skills and attitudes for the current position. Education was related to acquiring of specific knowledge, skills and attitudes for a future position (career oriented). Development referred to relatively permanent changes in knowledge, skills and attitudes as a result of formal training, education and informal learning process. Nadler introduced the term HRD in 1969, meaning all organized activities conducted within a specified time and designed to bring about the possibility of performance improvement and personal growth. In practice, HRD turned out to be a peripheral activity within organizations, isolated from essential organizational functions and processes, as intervention, which is adhoc, and short term oriented, reacting on

specific problems that occur. In literature it was even estimated that only between 10 and 20 percent of capital invested in HRD and learning interventions will lead to enduring performance improvement. Because of the fast changing environment of organizations this form of HRD became insufficient to support organizations in dealing with dynamic and less predictable environmental pressures. This turbulence places highly demands on organizational capacity to learn and change. Companies in such a turbulent environment experience the need for HRD, which is closely linked, to the daily work of their employees and the specific company's situation, now and in future. HRD, conceived as an intervention in the natural learning process of organizations and individuals has to be closely linked to the organizational strategy at all company levels, systems wide. In other words HRD has to become strategic and needs to be developed in a strategic planning process.

STRATEGIC HUMAN RESOURCE MANAGEMENT

Human Resource Development is an integral part of Human Resource Management. All business strategies in connection with HRD are simultaneously developed for Human Resource Management. HRD and HRM are part and parcel of Human Resource. Resources available with HRM are being utilized by HRD. If HRM is question then HRD is the answer to that question. HRD is nothing without HRM and HRM unutilized without HRD. Company's Human Resource Management is defined and bound by company's vision, business strategy and objectives (figure 1). The human resources viewpoint has gained ground in business strategy over the past decade, while simultaneously the strategic viewpoint has gained ground in Human Resource Management. Strategic Human Resource Management seeks an answer to the question: How does an organization plan, organize, control and develop human resource to carry out its strategy and to renew its competitive position? An organization's human resource strategy is a long term plan on how to ensure that there is enough of the right kind of people to fulfill and develop its business strategy. A human resource strategy provides rules for directing, using and developing human resources. This includes human resource processes and systems through which the organisation guarantees that it will have the right resource in the long run. Moreover, a human resource strategy describes the human resources goals for the strategy period for example the amount and structure of personnel, the required competencies, as well as personnel well-being. A human resource strategy also states the means by which goals will be achieved. Figure 1, vision and strategy provide direction to human resource management. A human resource strategy is

supported by personnel policy which defines the principles for operational actions and responsibilities by which human resource management is carried out. It describes and states the big rules in which human resource actions are coordinated in order to achieve consistency and harmony with business strategies. Personnel policy replies to questions like:

- 1) What kinds of personnel are needed (amount, structure, education, competence),
- 2) How employees will be recruited,
- 3) How employee competencies are to be safeguarded and developed,
- 4) How personnel will be rewarded (salary and reward systems),
- 5) How personnel will be supervised and supported, and
- 6) How outsourcing will be managed.

In general, we can say that the policies are to be long lasting if human resource issues are to play a key role in strategy implementation.

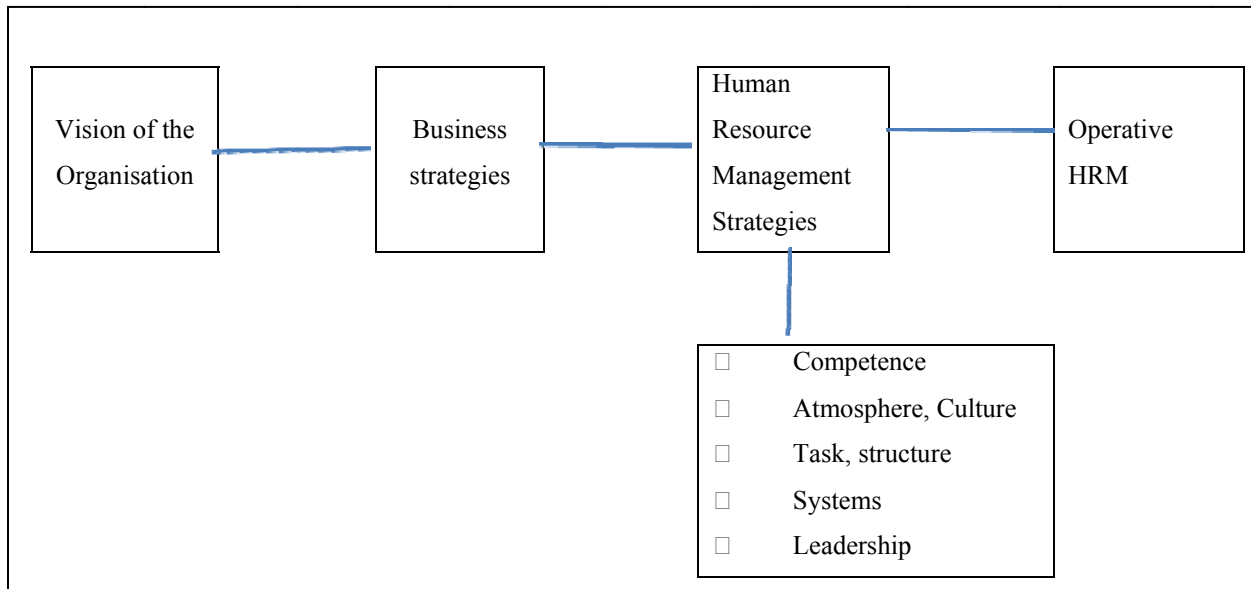


Figure1. Vision and strategy provide direction to Human Resource Management

Figure 2 characterises the connection between organization strategy and human resource strategy through several scenarios. The first scenario describes a situation in which no connections exist between the strategies. This can be the prevailing practice in companies where strategy is primarily top management's affair and the personnel department's job consists mostly of practical tasks. In this kind of scenario, it can be described very well that there is no human resource strategy. In the second scenario, the company has understood that human resource

actions are essential for carrying out the organisation's strategy. The human resource strategy has been planned so that it supports the implementation of the organization strategy. In the third scenario, the human resource strategy has not been subordinated to the organization strategy, as it is assumed that mutual adaptation and searching solution is needed. In the fourth scenario, which makes up a holistic model, human resource have been identified as the most important factor and human resource strategy is considered to be a critical factor for the company's business strategy.

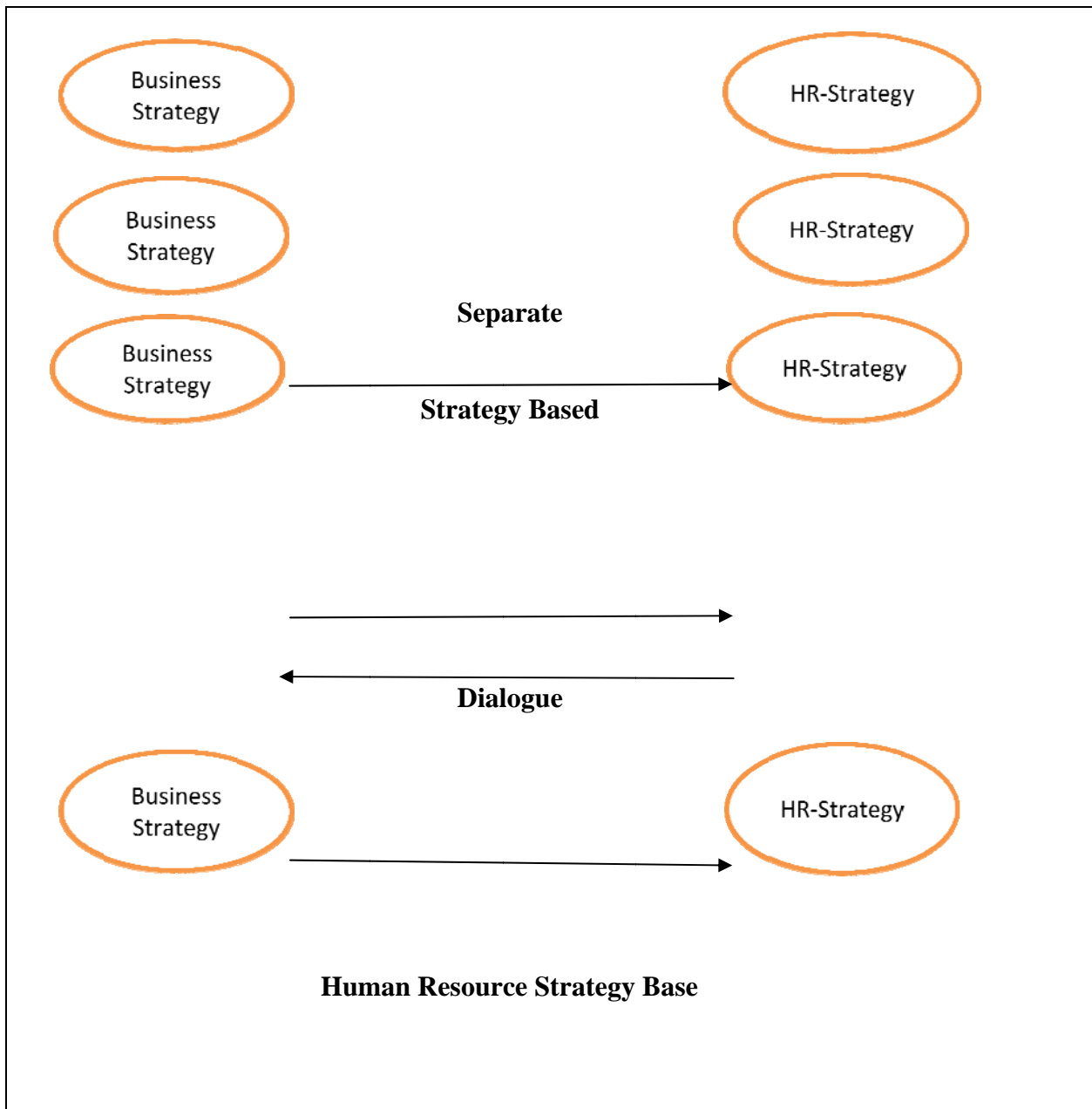


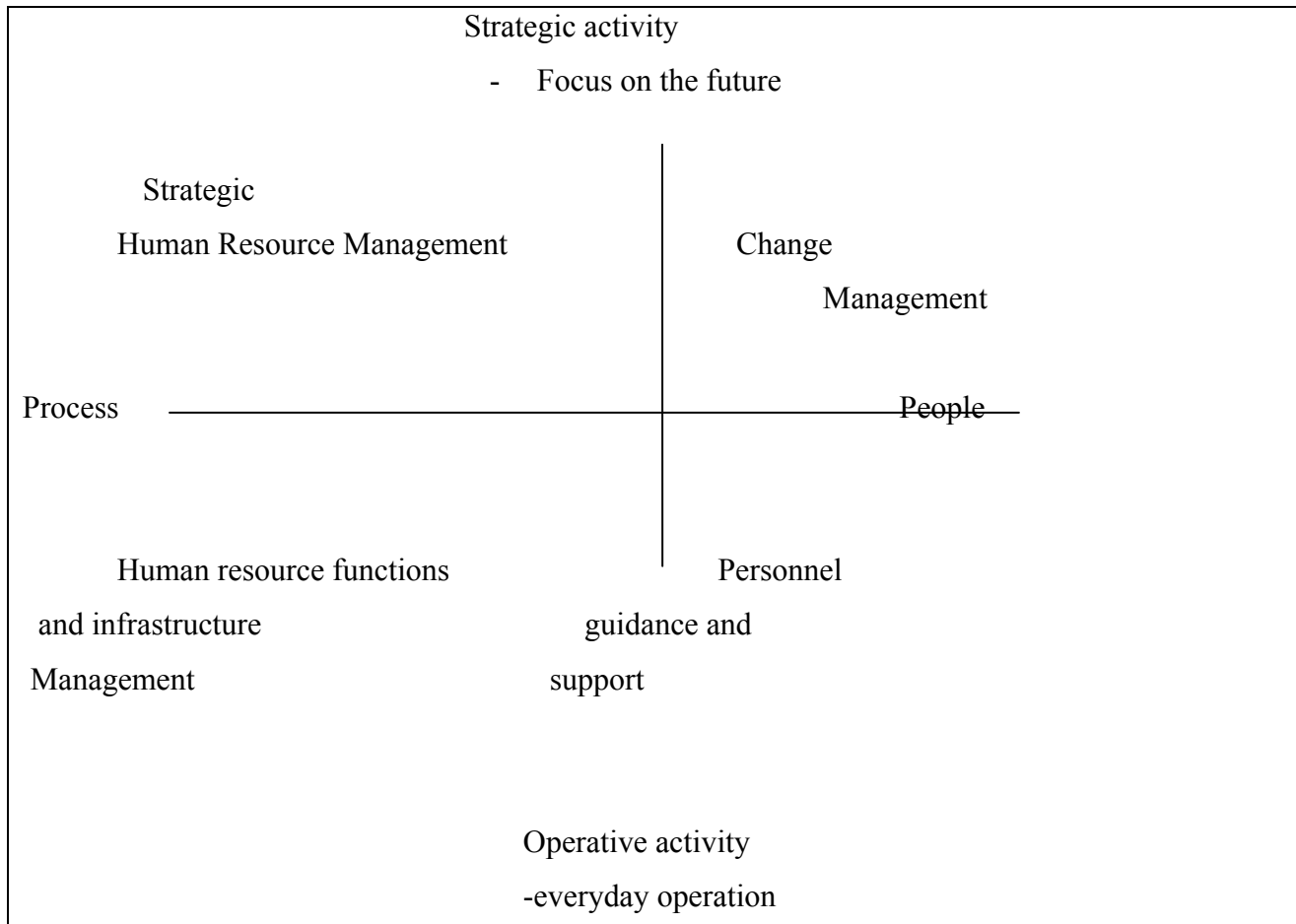
Figure 2 organisation strategy and human resource strategy through several scenarios.

In the current environment, strategic company activities are informed by customer orientation, globalization, flexibility, networking, cost-efficiency and information intensity. These all have an impact on strategic human resource policy, while one must also take into account practical human resource concerns. This includes labour force trends and characteristics, e.g. general demographics, the relative scarcity of labour in certain fields, as well as relatively high employment costs. The above mentioned factors result in conflicting pressures for human resource management. For example, the need for flexibility might hinder recruitment even though future scenarios indicate that one should try to hold on to good employees at all cost. Personnel development departments often need to find a balance between growing pressures for personnel development on the one hand, and the demands for cost efficiency and organizational flexibility on other. The table below matches current business strategy concerns with their impact on human resource strategy.

Business Strategy	Impact on Human Resource Management
Customer orientation	Personnel competencies should be flexible and adapt quickly to changes dictated by changing customer needs.
Cost-efficiency	Personnel costs are closely scrutinized and personnel numbers are flexibly adjusted in light of profitability and profitability expectations.
Networking	The production process is dispersed in corporate network, with the result that a sizeable part of the process and employees are not under direct control.
Globalisation	Personnel are increasingly international. The challenge is to manage a multi-cultural environment incorporating different value, cultures and educational backgrounds.

Companies aim to achieve consistently better results to satisfy their owners' profitability expectations. This can be a source of instability for human resource management because employees are often the cost item that can be quickly and flexibly adjusted. A poor operating year can mean layoffs, recruitment bans and reduced outlays for personnel development and wellbeing. On the other hand, high profitability expectations put pressure on human resource managers to invest in personnel for several reasons. Especially the demands for high quality, continuous regeneration and flexibility increase the need for professional competence

development. The resulting challenges faced by human resource management can be grouped into four task fields: strategic human resource management, change management, infrastructure management (i.e. development and management of human resource management processes and operating models) and personnel guidance and support.



Human Resource Management is increasingly a strategic partner to top management. The top management's objective is to devise a strategy that reflects the vision of the management which focuses on the future of the organization and to achieve this goal of the management. Strategic human resource management always proves to be a helping hand. A strategic human resource management not only plays a vital role to achieve the management's goals but also affects the process, people and also provides career guidance to the personnel in the organization along with the infrastructure and the changed management view and task which affects overall every day's operational activities of the organization executed by HRD.

Final Words

Even though most of the HRD scholars argued that HRD is crucial in shaping the strategic direction of an organization however fewer agreed that HRD is even present at the strategic planning table. It is suggested that the role of HRD needs to be repositioned and designed in accordance with the strategic planning of the organization which helps the organization not only earn handsome profits but also enable it to compete in the industry on both fronts i.e. monetary capital and human capital. HRD's involvement has to be considered critically in determining an organizational role and responsibility regarding employees careers. Therefore, career development must not be considered merely a stand-alone program, but rather as a process that is integrated into the whole system such that it influences strategic direction of the organization. HRD needs to be made responsible for the learning and performance that is strategic and operational and that cross the multiple levels of organizations including individual, team, group, process, and organization-wide. To recognize the Human Resource Development (HRD) as a part of the Strategic Human Resource Management (SHRM) approach in a global form of organization, HRD must strive to establish linkages between its structure, policies, strategies and the strategic environmental contingencies of the organization. To gain the strategic respect, HRD has to provide the learning solution that focus on collective learning, collaboration and which contribute to the creation of a climate of learning within the workplace.

BIBLIOGRAPHY

1. Andrews, K. 1971. *The Concept of corporate strategy*. Homewood IL: Irwin.
2. Andrews, K.M. & Dehahaye, B.L. 2000. Influences on knowledge processes in organizational learning: the psychosocial filter. *Journal of Management Studies* 37:6, 797-810.
3. Ansoff, I. 1965. *Corporate Strategy :An analytical approach to business policy for growth and expansion*. New York: McGraw-Hill.
4. Argyris, C. 1970. Interpersonal barriers to decision making. In: Bass, B.M. & Deep, S.D. (eds.) *Current Perspectives for Managing Organisations*. New Jersey: Prentice-Hall.
5. Bandura, A. 1977. *Social Learning Theory*. Englewood Cliffs: Prentice-Hall.
 - Bevan, S. & Thompson, M. 1991. Performance Management at the Crossroads. *Personnel Management*, November.

- Bratton, J. &Gold, J. 1999. Human Resource Management. Theory and Practice. New York: Palgrave.