

## Strategic Human Resources Management

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### Abstract

Strategic Human Resources Management (SHRM) represents an important and sensitive aspect of the functioning and development of a company, business, institution, state, public or private agency of a country. SHRM is based on a point of view of the psychological practices, especially by investing on empowerment, broad training and teamwork. This way it remains the primary resource to maintain stability and competitiveness. SHRM has lately evolved on fast and secure steps, and the transformation from Management of Human Resources to SHRM is becoming popular, but it still remains impossible to exactly estimate how much SHRM has taken place in updating the practices of HRM in organizations and institutions in general. This manuscript aims to make a reflection on strategic management, influence factors in its practices on some organizations. Researchers aim to identify influential factors that play key roles in SHRM, to determine its challenges and priorities which lay ahead, in order to select the most appropriate model for achieving a desirable performance. SHRM is a key factor in the achievement of the objectives of the organization, based on HR through continuous performance growth, it's a complex process, unpredictable and influenced by many outside and inside factors, which aims to find the shortest way to achieve strategic competitive advantages, by creating structure planning, organizing, thinking values, culture, communication, perspectives and image of the organization.

While traditional management of HR is focused on the individual performance of employees, the scientific one is based on the organizational performance, the role of the HRM system as main factor on solving business issues and achievement of competitive advantage within its kind.

**Keywords:** Management, strategy, performance, factors, resources.

### Introduction

Strategic Human Resources Management is a process on its own. Its main target is the managing strategy of HR, in order to achieve long-term objectives by considering HR as the main asset of the organization by giving it its deserved place in the organization, so anyone could give its best and feel accomplished in the group, so then the group could be in better shape for the implementation and achievement of long term objectives and by being valued one will give its best/maximum to achieve long-term performance, to find the right and most convenient strategy in support of the strategy of the company.

Compared to Human Resource Management, SHRM evaluates HR as its main asset of the company. The HR Manager is preoccupied with the management of HR by

evaluating the needs of HR in the future and working hard on keeping and recruiting best talents continuously and training the employees, identifying important competences for a job, including born skills, knowledge and earned skills, flexibility and descriptions of working positions which implies responsibilities and obligations. A key factor in the organization is the fact that, which of the employees will train the newly employed workers, his abilities to pass his skills to understand the policies, projects, objectives, mission and vision of the company. The organizations have to offer/make continuous training in various programs, in order for the new candidates to be the right ones and help the company achieve its long-term goals and themselves be motivated and feel complete and appreciated. It is crucial to the big and even smaller companies/organizations the necessity of Strategic HR Management, with the difference that the big companies have a specialized department that deals only with the management and politics of HR, while the smaller companies can't have such a privilege and this might be a punishment to them since the responsibility to take care of the HR management issue falls upon the manager, owner or other responsible person from the managing staff who might not have the time, ability nor needed skills to acknowledge the necessities of the company on time and at the same time the employee needs for training and expand their knowledge skills for the job in question.

Recruitment is today's one of the most debated subjects in HRM. The recruitment issue has been one of top subjects of the agenda of the management department, so, together with the best employees and trained staff they will achieve a competitive company and at the same time allow them to create a competitive advantage and offer innovation to the belonging fields. The HR Manager faces many challenges in this field due to bigger changes in society. In our world of accelerating changes it has been a major challenge of long-term consequences to find the right people for the right job and the right time. Recruiters are not only preoccupied of finding the right people/workers, but they also try to find people who won't leave their company immediately after becoming another opportunity. So the idea is to reduce the circulation of employees after investing and adapting them to the respective positions. The management should create strategic stimulation to attract qualified workers in order to overcome their competition. Considering this recruitment isn't considered a clear discipline of HR anymore, but a part of marketing as well, where employer tries to make the best for himself.

### **Aim of the manuscript**

Human Resources Management (HRM) remains interesting/intriguing to be studied for a number of reasons both academic and practical. From the academic view one of the reasons has to do with its own nature of this aspect. A second academic reason that intrigues the study of SHRM has to do with the diversity of the analyzing perspectives. The functioning of a business or organization and SHRM combine the rational aspect with the human, interests of win-loss, social-cultural norms and traditions with the legal regulation and practices or the strategies with managing models. For these reasons the field of SHRM is populated of a number of analyzing

perspectives which stress the importance of various factors and scenarios. Two other important but more minor perspectives are the source and strategic one. The factor group of inside origin includes factors of organizational, strategic, managing, psychological and socio-cultural nature. Each sub-group summarizes different factors and their number differs from one group to another. Given this variety of factors, what makes the study of SHRM interesting and intriguing is the fact that between the above given influence factors there is a difference regarding the implementation influence on different companies or organizations. The difference between their degree of impact factor also exist within each group of outer or inner origin between factors of different natures.

### **Strategic management concept**

As a business partner, HR professionals need to take leadership roles in making important decisions especially regarding the selection of leaders to different management levels, by recommending ideas and strategies to organizational leaders for the long-term development of the company. Strategic HRM gives direction on how to build the foundation for strategic advantage by creating an effective organizational structure and design, culture, employee value proposition, systems thinking, an appropriate communication strategy and preparing an organization for a changing landscape, which includes downturns and mergers & acquisitions. Sustainability and corporate social responsibility come within the ambit of this discipline, especially with reference to organizational values and their expression in business decision making. Strategic HRM emphasizes organizational codes of ethics, managing the societal impact of business decisions, philanthropy and the role of the human resource professional in improving the quality of life of employees, their families and the community at large. SHRM, as part of the organization/company, is equally preoccupied with the department of human resources. It focuses on long-term issues of the human resources, cooperates with the staff of HR in order to create an organizational structure which is able to adapt to the changes that may arise during the transition in the organization, as in individual terms so well in the group aspect. SHRM will continuously be engaged in the preservation and enhancement of work ethics, behavior codex in group and company in general and above all in the performance growth and achievement of general objectives. The "Human Capital" talent is one of the most important assets in a company. HRM is responsible for forecasting future staffing needs and creating plans for recruiting, hiring and retaining top talent. HRM strategy includes the identification of job competencies such as knowledge, skills and abilities to perform each function and develops comprehensive job descriptions that describe these competencies and responsibilities. An additional HRM strategy is continuous training and development of employees.

### **Compensation and theoretical framework**

This discipline covers the various forms of direct compensation—i.e. employee's pay including variable pay, short and long term incentives, company stock awards,

as well as promotions and pay increases. It also deals with indirect compensation such as paid leave, insurance, retirement income and various employee services, commonly referred to as “benefits” that employers use to attract, recognize, retain and motivate employees to contribute to the organization’s strategic objectives. The Compensation and Reward discipline includes designing and administering compensation philosophy, strategy and systems, compensation benchmarking, executive compensation and other competency or function based compensation practices.<sup>1</sup> Strategic Human Resource Management (SHRM) is and will remain one of the priorities and key factors, which has direct and uncontested impact in the managing field of organizations, businesses and general management, etc.. The fact that humans, human capital, the way they are managed, may and should be one of the key factors on the development and achievement of the goals of an organization. The central idea – broadly stated – is that while for much of the industrial age, ‘labour’ was treated as an unfortunate ‘cost’, it became possible to view it in an entirely different light; as an ‘asset’. A corporative culture may be exposed directly or indirectly; directly from the collection of values and norms from questionings, or indirectly from symptoms and effects that are recorded. Both approaches show advantages and disadvantages, a combination of both methods has been found to be the best solution (Krasniqi, 2013, 6).

The culture by which a company is identified plays a major role, therefore it should serve as selecting criteria in the MS service, and if there is any inconsistency then it won’t be a part of it for a long time. The notion that the companies may build competitive advantages as a result of above-average financial performance, based on valuable inside and non-replicable sources, offers an important strategy to attract the HR. Although there is only few evidence on the influence of this theoretical work on the empirical literature of SHRM. The literature on the strategy, simply offers a theoretical context on review and implications of HR on the performance of the company.<sup>2</sup> In order to lead a team successfully you need to engage a talented executive, who is ready to work closely to his team, by considering the group as one sole body. In general, the literature of SHRM is made of work which is concerned with identifying and seeking to understand the features of organization that are regarded as determinants of organizational performance. The task is to identify key causal connections and to assess their impact on the capability of the organization and on the behavior, attitudes, and skills of staff. On the one hand, there are the academic, research-based analyses and assessments of the factors which may influence levels of performance (selection processes, competences, types of training, changing structural forms, various employment strategies, the resource-based view and so on). And on the other hand, literature is no consultancy (Salaman, Storey and Billsbery, 2010, 6). The relational aspect and the integration aspect between business and the strategy of human resource management have become a very big attention so far. The relational aspect of the integration between business strategy and human resource management refers to the relationships between the factors and actors involved.

In other words, what is at stake here is the relative importance of human resource

<sup>1</sup> <https://www.shrm.org/india/hr-topics-and-strategy/compensation-reward-and-recognition/pages/default.aspx#sthash.nDbGzs0w.dpuf>.

<sup>2</sup> [http://markhuselid.com/pdfs/articles/2006\\_Becker\\_Huselid\\_SHRM\\_JOM.pdf](http://markhuselid.com/pdfs/articles/2006_Becker_Huselid_SHRM_JOM.pdf).

management in comparison with the business strategy. This is considered more or less regardless of the content of both policy areas and also regardless the way in which both areas are given shape in concrete situations.

### **Today's situation in Swiss hospitals**

The demographic development, resp. over aging of the population on one side and the lack of health staff on the other, has been a huge problem not only for the Swiss Hospitals, but for all countries of the EU. In the absence of health staff, it has been very difficult to hire new employees in almost all levels. According to Mrs. Theiler, Leader of Human Resources in the Clinic of St. Anna in Luzern there are nearly 10 % of the free work positions that cannot be filled. This led to the remaining staff to be overloaded with tasks and in some cases it came to the Burnout Syndrome. This gets even worse when health workers for these or/and other reasons like creating family (giving birth), long and unsuitable working hours, quit the profession. Considering these problems it is in the best interest of each institution that the politics of HR should be attracting for new employees.

Human Resource Management in "Hirslanden Klinik St. Anna" in Luzern "Hirslanden" is the leading private hospital group and the largest medical network in Switzerland. "Hirslanden" Group consists of 16 Clinics in 11 Cantons. In this hospital group are 2000 specialists/doctors of all different areas and 8.450 other employees of different levels employed. It has an annual turnover of 1 billion and 563 million Swiss Francs (Fiscal year 2015). In this year (2015) it has treated over 94.000 patients.

The Vision. - "Hirslanden" is the largest provider of medical services in Switzerland and a trusted partner for the patients, doctors, employees and all other actors. Hirslanden has given an important contribution on health improvement and quality of life of the patients. This clinics act on principals of private corporations and stand out because of high quality and efficiency. All employees are guided by the following core values:

- Customer Orientation;
- Commitment to Performance and achievements;
- Excellence;
- Trust and Respect;
- True and honest communication;
- Treating customers with care.

Politics of Human Resource.- The dynamic and professional working environment motivates our employees to deliver the very best healthcare services every day – both in relation to patient care and the administrative and management side of things. Employees view the "Hirslanden" Group as an attractive employer that not only expects the very best from its team, but also rewards their performance with great respect and appreciation.

In addition to their professional expertise, employees also demonstrate the following qualities:

- customer-focused mentality (Client is king);
- highly self-motivated (individual);

- ability to think and act in an interdisciplinary way (not only to his ward);
- a basic understanding of how private companies operate;
- flexibility and willingness to adapt;
- willingness to learn;

Personal/Staff management.- all employees and especially our managers are oriented on following values:

- Customer-focused orientation, (Client perspective);
- Performance orientation;
- Trust and respect;
- Honest communication and treating all employees with fairness and kindness.

Managers carry economic responsibilities (achievements responsibilities) for their decisions and they set high but reachable standards for their workers. They then reward these performances with evaluation and gratitude and in case of non-achievement they give direct advises, analyze the grounds together with the employees. Development of organizational structures serves the strategy to achieve the common goals and this way the employees don't just think, work and act for their respective organizational unit but for the entire institution.

Personal/Staff planning.- Except the short- and middle-term planning of employees we also make long-term planning in accordance with the expanding strategy of the Clinics and the increased quality and this is only reachable with a well trained staff, by always aiming maximum results.

Personal/Staff Marketing.- As part of the recruitment we aim always for the most competent and highly professional employees, who are loyal to the employer. "Hirslanden" has positioned itself among one of the most attractive employers in Europe in health sector. The recruitment process is based on the defined recruiting standards and new employees are systemically introduced to their new duties and working process. Probation period is three months and servers employees to get to know the institution and his obligations in his new working position.

Personal/Staff evaluation.- Employees always know what's expected from them, they also get annual evaluation and feedback from employer. This way their performance and individual behaviour, inadequate services and deficits get treated at the right time. Evaluation interviews serve the achievement of personal goals, professional development, recognition and improvement of employee performance.

Salaries.- Does regular comparisons to the regional market, the focus is on the wages list, individual definition of payments is made according to the function, professional experience and education level.

Personal/Staff retention.- "Hirslanden" is a winner of the Best-Recruiters price in Switzerland, by creating an attracting environment and good working conditions, in order for our employees to be dedicated and loyal to the company. Another beautiful element is the culture of the company that has created a positive working environment, by offering flexible working hours in order to make it possible for the mothers and fathers to equally be able to take care of their families. The quitting and switching reasons of the employees are systematically analyzed and where needed the necessary measures taken.

The company offers employment with many benefits as: pension fund, as well as

collective health insurance, where a major part of it is funded by the company, employees benefit from a big number of actions; as in nutrition, culture, health promotion, they're offered discounts on various articles on different stores.

Personal/Staff development.- Staff development is structured and oriented towards the strategic and operational needs of the company as well as the respective instructions of the health policies, leadership development, education and training is offered coordinated and controlled by the headquarters of the company and applied as needed by the clinics. Employees have the opportunity to further their professional and managerial careers and except their working potential they have to show self initiative for further personal development, while the leaders' job is to assure that the employee's potential is awakened and make sure that the investments in education are later applied in everyday work. Special importance is paid to professional and personal development with the idea of its concrete implementation in practice and everywhere else possible so they can take managing positions with the respective staff within the company.

### Conclusions

Behavior, culture, and flexibility in the working place have a major impact on the success or non-success of an organization. Consequently, executives, managers and senior executives play a major role on hiring the employees to accomplish its objectives. HRM strategies support leaders in the planning of activities to foster an organizational culture where employees enjoy working and are appreciated. In a high-performance organization, employees are recognized for high performance levels and creative ideas. It is important we understand the factors that we need to pay attention to. The minute we understand that HRM is influenced by inside or outside factors, the question asked is, that during the conception and modelling of the HRM practices, their creators should pay more attention to inside or outside factors; if both groups have the same or different influence on the role and effectiveness of HRM.

The training and education field is an important field for the organization. The person who deals with the evaluation and definition of needs and requirements for training should not make any mistakes on the evaluation system and therefore implementers of the system of evaluation of needs for acceptance, training, transfer from one working position to another, promotion, evaluation, acknowledgment, etc. should be qualified so that the mistakes of this nature would be as minor as possible, since a unilateral, inaccurate evaluation would be demotivating and allow the management to make wrong decisions.

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