

## **Strategic Human Resource Planning – a simple summary**

Traditionally the human resources (HR) department has fought to become a key player on the executive team. For a variety of reasons, executives have struggled to visualize what could happen if human resources took a strategic approach to supporting the organization's key objectives and metrics and how the department could impact an organization's culture growing from transactional to transformational.

**Strategic Human Resource Planning (SHRP) is a synergistic process** intersecting an organization's management practices and human resource practices to bring about efficient and satisfied human capital within an organization.

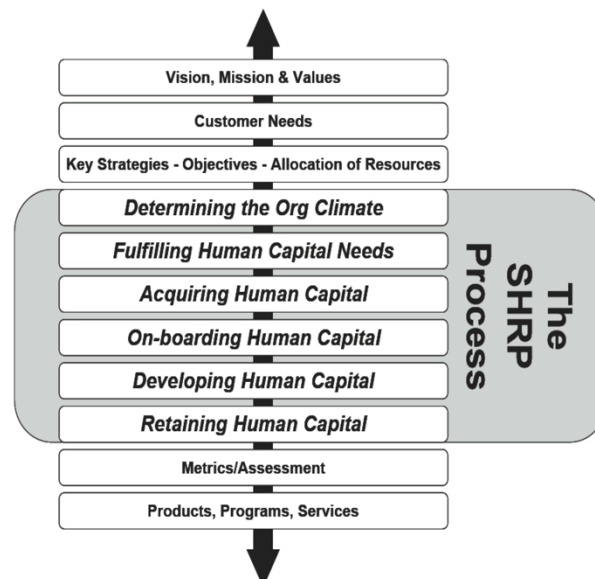
Once the process is in place, SHRP can become the road for a transformational HR department, providing committed employees and resources, strategically aligned to fulfill the key objectives and metrics of the organization.

A strategically aligned human resource department will have every decision, action, and initiative it undertakes focused directly or indirectly on supporting the fulfillment of the organization's annual objectives and be able to share "how so" if asked.

The SHRP process is pivotal for understanding how a firm effectively manages people to support one's organizational strategy and create a competitive advantage. The SHRP process contains six (6) key result-focused areas, with each area being strategically vital to support the objectives and mission of an organization through the human resources department. All initiatives ultimately fall under one of these key result areas, with specific topics as sub-headings. The first two areas are assessments that support the planning process within the remaining four. The process includes:

- Determining the Organizational Climate Towards Your Human Capital
- Fulfilling Human Capital Needs
- Acquiring Human Capital
- On-boarding Human Capital
- Developing Human Capital
- Retaining Human Capital

One model for alignment in a strategically-aligned department is as follows:



## ***Transaction and Transformation***

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The word “**transaction**” literally means to “go through” or complete an action. For the purpose of Human Resource Management (HRM), transaction is taking content, either internal or legal, and placing it in a process or system that is necessary for the legal and administrative aspects of HRM to be completed. Transactions include, but are not limited to, payroll, attendance, benefits, hiring, feedback, discipline, performance monitoring, terminations, workers’ compensation to name a few.

Any process or system can be transactional if the process is followed correctly. The real question is what was the quality of the process i.e. when the transaction took place, was it **transformational**, promoting a change in the quality of a person or process for the enhanced betterment of those involved, including but not limited to, other employees, the team, department, and/or organization. What was transformed as a result of the process? ...or was the transaction simply “completed”, not taking in to account the impact on the people or organization (so often the case)?

One key focus of HRM within the various necessary transactional processes, is to have the processes presented in a transformational manner that focuses on both the employee and key departmental initiatives and organizational objectives. Then and only then can the process become strategic in nature.

## ***Key Result Areas for Strategic Transformation***

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### ***1 - Determining the Organizational Climate Towards Your Human Capital Management***

When evaluating the attitude or climate an organization has towards their HR department, four (4) key questions are asked with a Line-of-sight focus.

- Does my organization have a clear vision, mission and set of values?
- Does my organization regularly conduct a SWOT analysis et al?
- Does my organization set both organization and department objectives et al?
- Does my organization display a managerial attitude that HR is vital to its’ success?

The first three questions pave a path to the attitude the organization has towards the HR department. If it is positive, move forward with a transformational strategy. If there are past issues of poor human relations or ineffective processes, move forward by *doing* rather than simply *talking*; “actions speak louder than words.” Build the trust by becoming a consistent department that everyone can trust, both in their transactions and relationships.

### ***2 - Fulfilling Human Capital Needs***

Today HR is responsible for many areas. Assessing the fulfillment of human capital needs is a key focus of HR. Once assessed, it allows an HR department to determine if they are fulfilling the current administrative and functional needs of the organization while looking deeper strategically.

**If HR is to align with their organization and its mission**, it becomes critical, regardless of size, to support the mission of the organization (when it is known) in three (3) key areas:

- **aligning** synergistically the organization mission, objectives, and strategy with strategic human resource planning, bringing about effective and satisfied human capital for the purpose of organizational growth.
- **promoting** the growth, satisfaction and development of one's employees.
- **providing** support to ensure legal compliance in the labor related arenas of the law within the day-to-day employee process such as hiring, feedback, counseling, termination and safety et. al..

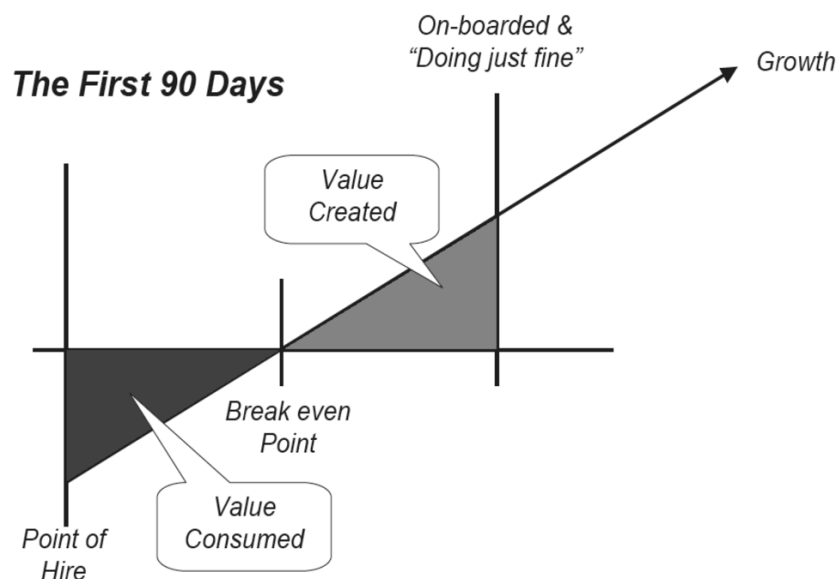
### 3 - Acquiring Human Capital

Companies with better selection capabilities report a 20% increase in company performance.

Many HR departments indicate that the most frustrating part of their job is finding and keeping good people. Research shows that most new employees spend the first year in a position acclimating to the organization and the position; the second year experimenting in efforts to increase their effectiveness; and finally, in their third year, they begin operating at a high-performance level. Thus, it is clearly more cost effective to spend significant time screening and selecting employees, in an effort to identify those who will find personal success and will yield fruitful service to the organization - i.e., a win-win situation.

### 4 - On-boarding Human Capital

When on-boarding human capital, every part of the process becomes a key variable within the employee's orientation in to the organization. What are the total costs and time for bringing a new person on-board and up to a level of "internal efficiency" such that he/she is giving the organization a return on the hiring investment??



### **5 - Developing Human Capital**

American Society for Training and Development (ASTD) benchmark studies empirically demonstrate that strong commitments to training and employee development characterize profitable and leading companies.

Solid training & talent development programs have a 46% positive impact on organizational performance and retention. Most important, growing others builds trust and trust leads to closer relationships and longevity. A few areas of development to consider:

<b>Skills Training</b>	<b>On-the-Job</b>	<b>Mgmt - Leader</b>	<b>Network</b>
<i>Orientation</i>	<i>Role playing</i>	<i>Budget - Analysis</i>	<i>Conferences</i>
<i>Functional skills</i>	<i>Book club</i>	<i>Decision Making</i>	<i>Associations</i>
<i>Technical skills</i>	<i>Coach - Mentoring</i>	<i>Hiring</i>	<i>Local Clubs</i>
<i>Execution</i>	<i>New assignments</i>	<i>Time - Project Mgmt</i>	<i>Alumni Networks</i>
<i>Writing and speaking</i>	<i>Cross-functional teams</i>	<i>Performance Evaluation</i>	<i>Computer Networks</i>
<i>Corporate culture</i>	<i>Feedback - 360</i>	<i>Leadership Culture</i>	<i>Message Boards</i>
<i>Best practices</i>	<i>Peer group</i>	<i>Facilitating Meetings</i>	<i>Relationship Awareness</i>

### **6 - Retaining Human Capital**

Turnover, the opposite of retention, is clearly one benchmark that demonstrates the value an organization places on human capital. High turnover would indicate low moral and demotivation. Basic motivation theory states when employees are challenged and happy the attendance is good, error rate is down and employees are retained for long periods of time.

Despite wide myths, you cannot motivate anyone. What one can do is provide an environment where an employee will elect to be motivated.

What are the components of retention? Engagement, personal challenge, interesting work, with a knowledge that my boss cares about me and what I do. Another component is a clear vision, mission and values that every employee can share and believes coupled with challenging goals that are clearly understood. And lastly, a culture that promotes relationships through the three "C's"; character of the team, competency within the team and the right chemistry of the team.

### **Pulling it All Together**

Being strategic is a philosophy resulting in action. When an HR department is being a strategic partner within an organization, they are ensuring that every transaction, every initiative, every action is focusing on meeting the objectives and metrics of the organization within the 6 KEY RESULT areas of the Strategic Human Resource Plan. The strategy is focused on the organization and/or the objectives of other departments:

- Determining the Organizational Climate Towards Your Human Capital
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By assisting the departments to achieve their initiatives and results focusing on these key result areas of the SHRP will assist the HR department to think, act and respond consistently in a strategic manner to the other departments and the organization as a whole.

Whenever anything is carried out in the HR department, transactional or developmental in origin, the employee, if asked, should always be able to share the transformational aspects of what is being carried out and how the action or process is strategically assisting the organization to reach its annual objectives and metrics within the vision, mission, and values of the organization.

If this cannot or does not occur chaos, strife, miscommunication and distrust are the outcomes.

When it does occur, and only when, HR will be implementing culture change in the organization that will bring about synergized impact moving towards becoming nothing short of “good to great.”

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