

Summary

Can Strategic Human Resource Management do (much) better?

The human resource situation in Dutch companies does not look very problematic: workers are well educated, show a high job satisfaction, display a high labour productivity, contribute fairly to innovation, show a reasonable flexibility and enable a high added value and decent corporate profits, notwithstanding the high costs of labor.

This positive qualification does not exclude the presence of opportunities for improvement. This study aims at the identification of such opportunities by posing the research question: can Strategic Human Resource Management do (much) better? Related sub questions are: how does strategic HRM look ideally, how far away is practice from this idealtype, which weaknesses in the formation of strategic HRM can be identified and how and under which circumstances can strategic HRM contribute more to the quality, the performance and the results of workers and organizations in case practice is closer to the theoretical ideal?

The research question is primarily answered by describing an ideal type for the development, the formulation, the implementation and the evaluation of a Strategic HRM. Next survey data are presented showing that this ideal type is still far away in the Dutch HRM-practice. A great majority of respondents, both HR-managers and line managers state that an HR-strategy is missing, that strategy formulations are not very specific, that evaluation is not very tough and that the contribution of SHRM to effectiveness, efficiency, flexibility and legitimacy could do (much) better.

Potential for improvement is searched in four domains: the preparation, the decision making, the implementation and the evaluation of Strategic Human Resource Management. The feasibility of improvement opportunities is analysed on the basis of literature study and empirical research (interviews, survey data and case studies).

In the first domain, preparation of an HRM Strategy, options for improvement are investigated in five areas: the assessment of the present HR-situation on the basis of a capability maturity typology, the identification of threats and opportunities in the organisations environment, the appraisal of strengths and weaknesses in personnel and organisation, the inventory of needs, wishes and stakes of stakeholders and the interaction between organizational strategy and HR-strategy.

In the second domain, the decision making on HR-strategy, improvement opportunities are identified in three areas: the consultation, co-determination, bargaining and compromising on HR-strategy, the decision making, prioritization, policy formulation and communication, and the operationalization, delegation and decentralization of HR-strategy.

In the third domain, the implementation of HR-strategy, three areas for improvement potential are covered: competences and qualification (education, experience) of general management, HR-staff and line managers, the instruments for strategic and operational HRM, and the project and

process management of implementation, progress control, reporting practices and interventions in non-compliant strategy execution.

In the fourth domain, the evaluation of outcomes of strategic HRM-efforts and the renewal of HR-policies, the focus is on five performance areas: contributions to organizational effectiveness (productivity, quality, innovation, financial performance, growth), organizational efficiency, flexibility of personnel and organization, legitimacy (satisfaction and loyalty of employees and customers, corporate responsibility, corporate governance and corporate image), and overall alignment and corporate continuity.

In the conclusions the potential for improvement of Strategic HRM is summarized. A better preparation of SHRM is possible by improving the focus on strengths, weaknesses, opportunities and threats, on the strategic priorities of the organization and by taking into account the preferences and interest of the stakeholders in the organization.

The formation and articulation of a clear HR strategy is an option through which organizations can bring together competences, means, instruments, activities and processes aiming at the improvement of performance of employees and organization.

Communication and operationalization are areas for the improvement of the involvement of line managers and employees in organizational improvement processes.

By improving the preparation, the formulation and the implementation of Strategic HRM it may be expected that contributions to organizational effectiveness, efficiency, legitimacy and flexibility might improve as well. However an automatism may not be expected.

Major recommendations are the improvement of the alignment of HRM-goals to corporate strategy in order to increase the relevance of HR-strategy, to relate HR-strategy to major performance goals for personnel and organization, allowing interdisciplinary and large scale interventions, a sharper focus on a limited number of priorities of SHRM, needed to get an optimal return of the scarcely available resources for HRM, improvement of the quality of instruments, especially HRM-information systems, HR-planning, management development, and the alignment of corporate culture and structure.

Two major interventions are recommended: HRM-certification and external appraisal of HRM-educational programs. These interventions are mainly outside the control of individual organisations and require inter-organizational collaboration, organized for instance by the professional HRM-association, publishers, consultancy or accountants firms, or eventually through an invitation for renewal of state intervention as already existing through the state accreditation programs for higher professional and university education.

In the conclusions there is a reminder that good, bad, better performance and improvement are subjective concepts. A change considered an improvement by one stakeholder could be considered a deterioration by another.

Finally a plea is made for an HRM and SHRM theory that devotes more attention to the backside of idealism and positivism through studies that take into account the historical and situational context of SHRM, apply a multi actor and multi stakeholder perspective and make more use of inductive analysis, in depth case studies and holism. In this way a more realistic picture of SHRM can be developed in which there are successes but failures as well. The analysis of failure can contribute to more insight in policy inconsistencies, deviant and irresponsible behavior, failing managers, employees and control systems, the fate of whistle blowers, the use of cover ups and the role of the unexpected. This might contribute to lessons learned, but also to more modesty in respect of the "human measure", the quality and the reliability of the respons of people to ever growing challenges in terms of ambition, scale, technology and complexity.