



# STRATEGIC MANAGEMENT OF HUMAN RESOURCES & INNOVATION SUPPLEMENTARY LECTURE NOTES MODULE 1



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# Where does HR fit in managing people?

Some functions include:

Strategic HRM

Needs Analysis

Recruitment & Selection

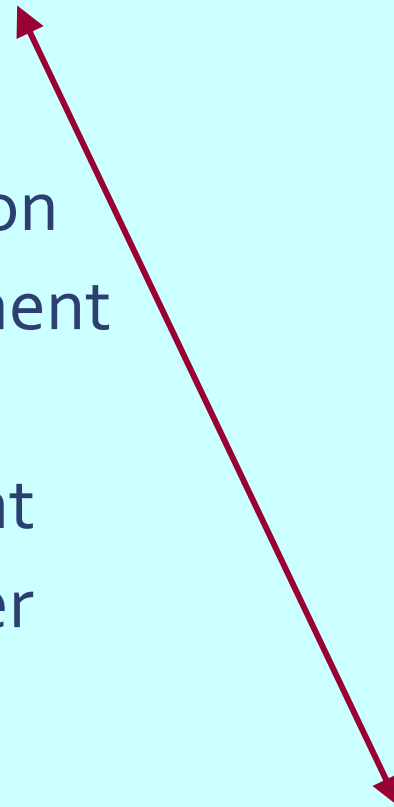
Learning & Development

Performance Pay

Career Development

Employee turnover


Separations



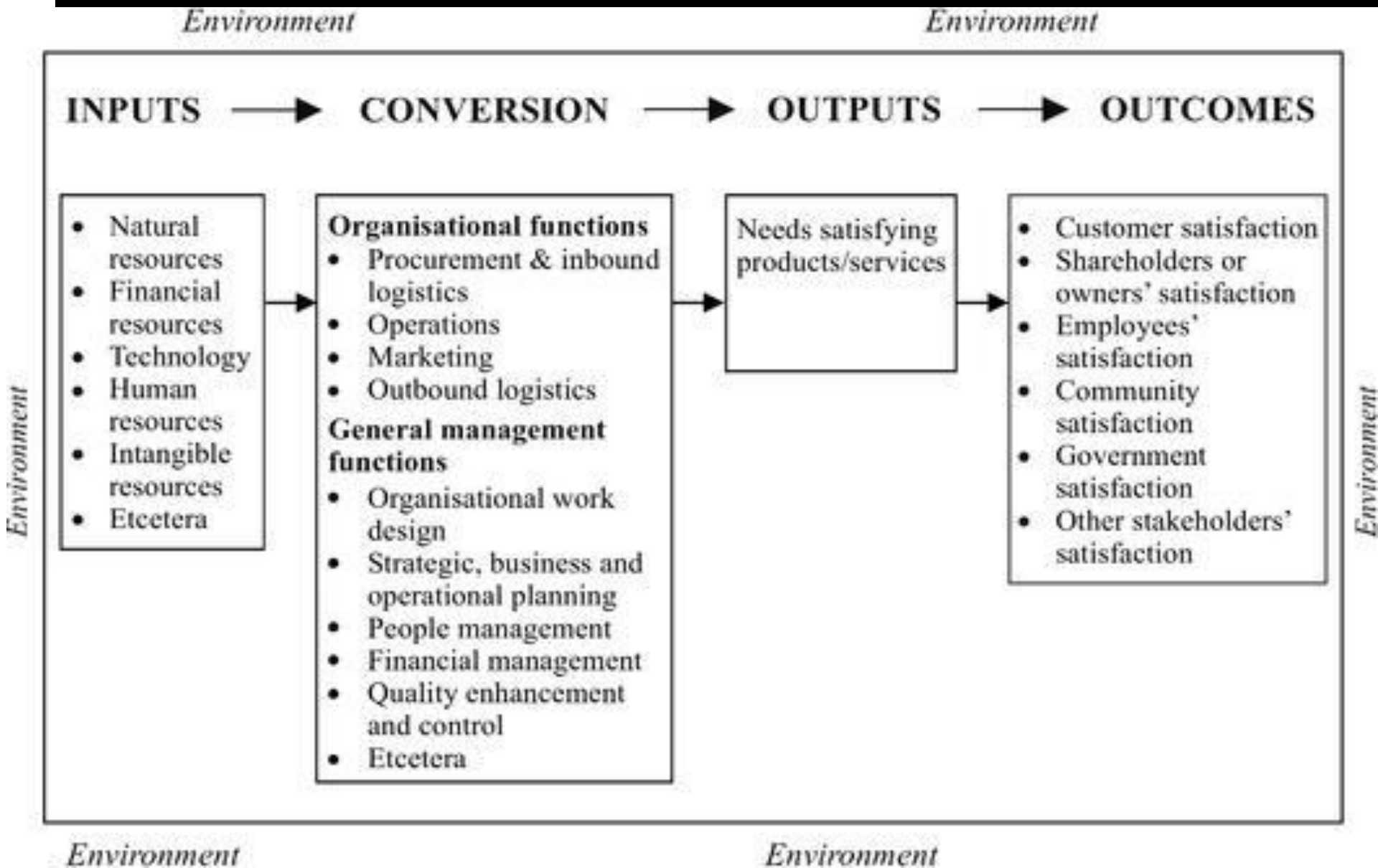


# Open Systems

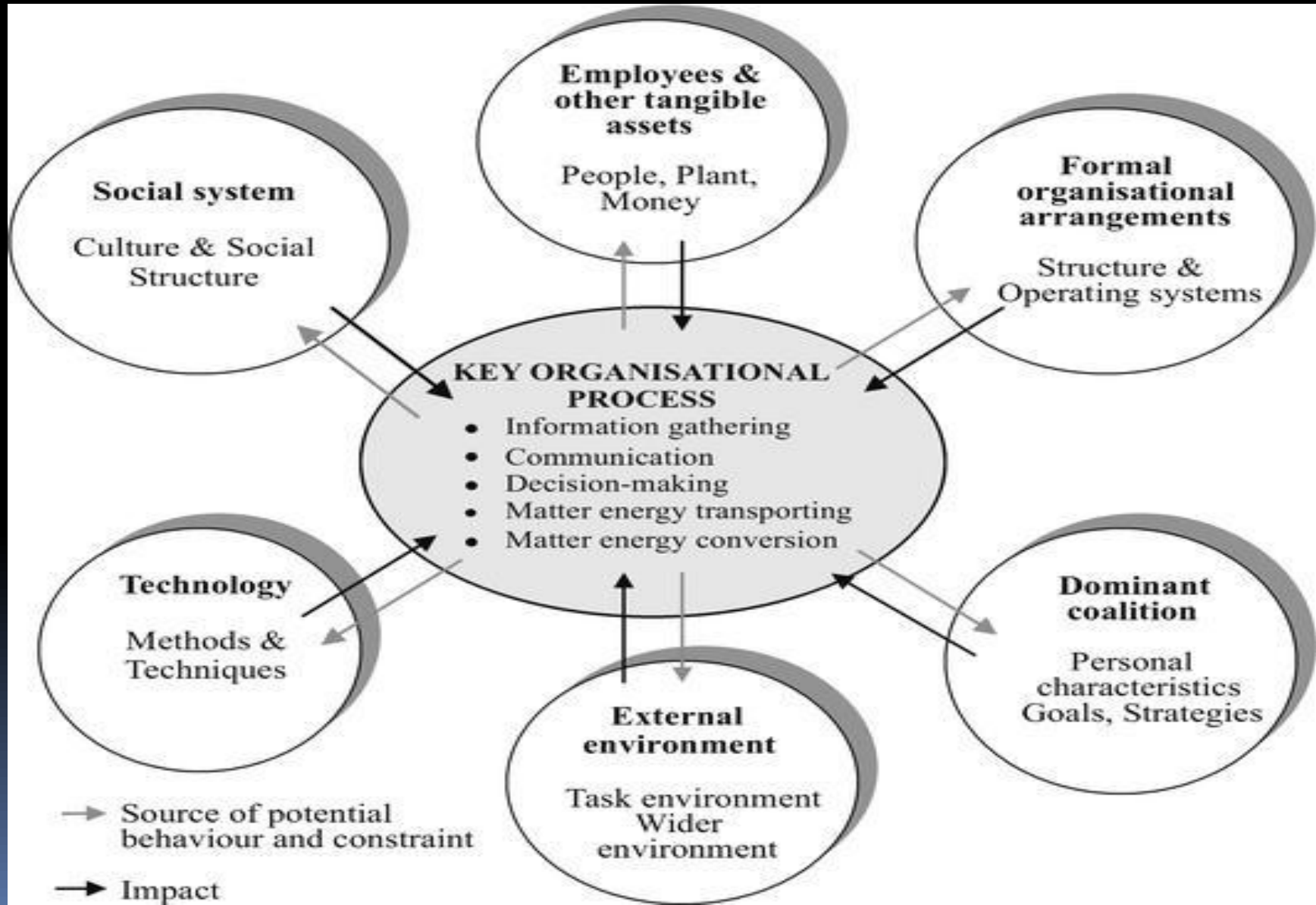
Managing people strategically suggests that there is no rational or straight line goals to be achieved. Everything is in context of other systems. For example, if you want to train and equip workers to increase their knowledge, one can't do this without consulting other managers. Otherwise, we might train for the wrong capabilities.




# SHRM influenced by Open Systems




# Organisational Dynamics influencing any system

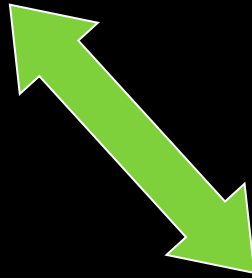




# Components to be transformed in pursuing goals

- **The Task** (complexity, predictability, interdependence)
  - **Individuals** (capabilities, skills, knowledge)
  - **Formal** organisational arrangements (e.g. Structure)
  - **Information** organisation (informal groups, quality of group interactions).
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# Thinking about managing people



While any definition is complex, managing people mostly relates to recognizing why they are important, unlocking human potential, increasing skills through organizational strategies, keeping the best people, and ensuring business survival.

# Why is it important?

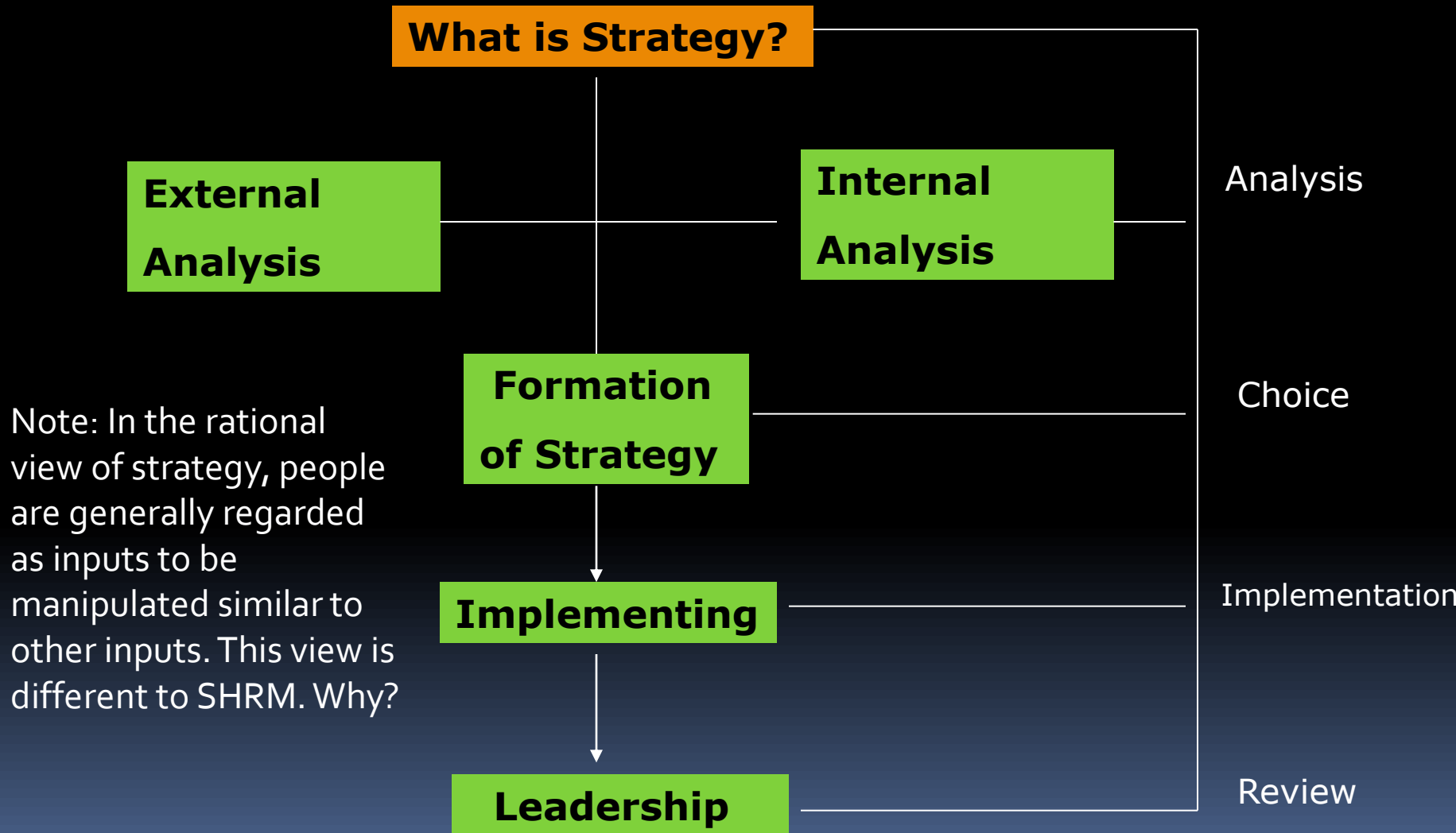


Management have had a fascination with restructuring, downsizing, outsourcing, de-layering, cost cutting. People not seen as a resource

What effect does this have on organizational culture over time?



# How traditional strategy sees people



# How firms should see people?

**Strategic Intent**

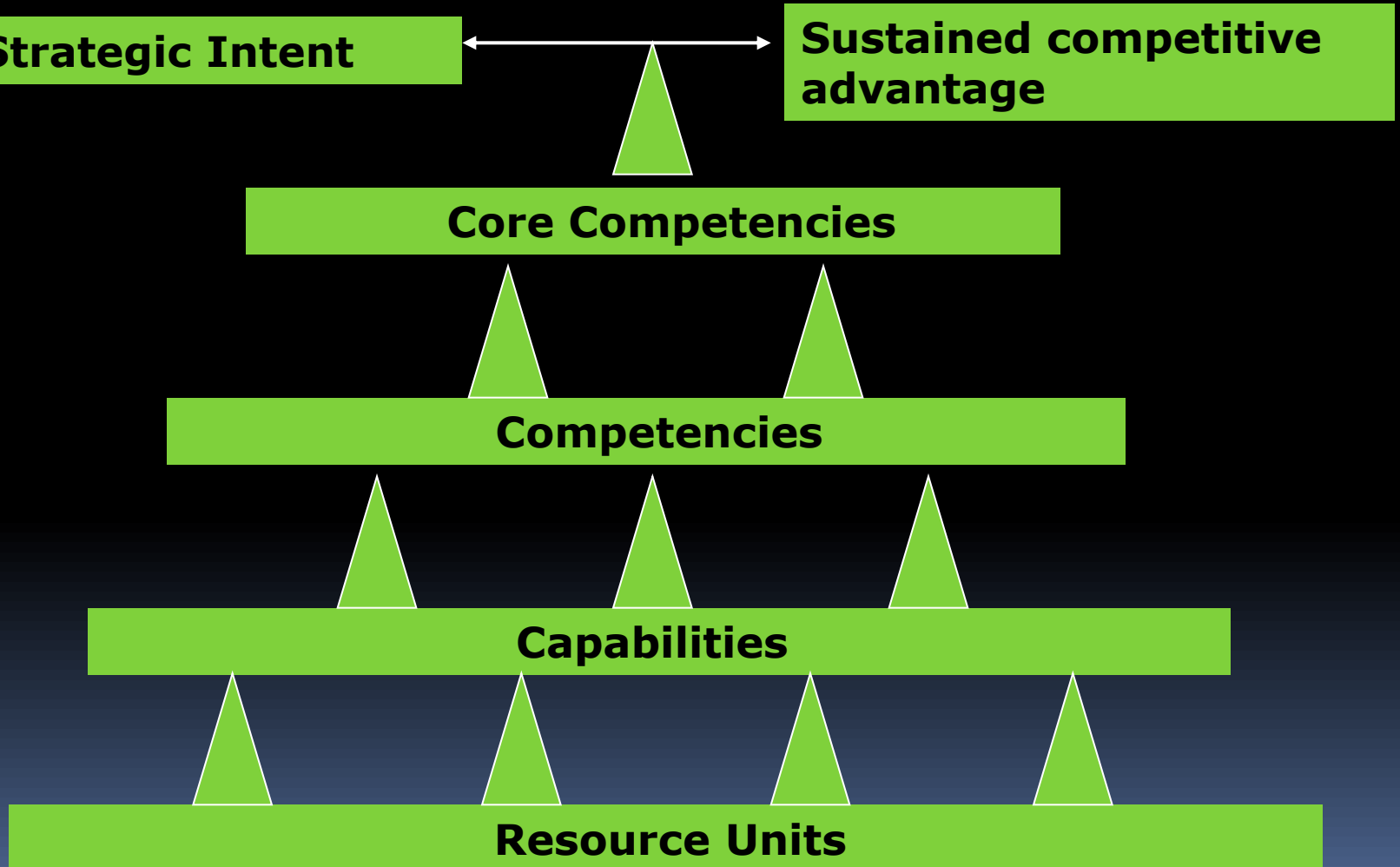
**Sustained competitive advantage**

**Core Competencies**

**Competencies**

**Capabilities**

**Resource Units**



# Why getting people to think differently is a good idea

Some men see things as they are and wonder why; others see things that never were and wonder why not! (John F Kennedy)

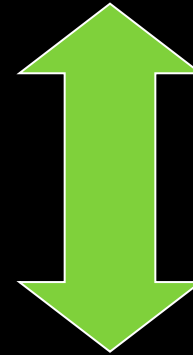
In the beginners mind there are many possibilities. In the experts there are few!  
(Sun Tzu)

In seeing, we create ways of not seeing!



# Distinguishing between resources

- Human capital is a resource



- HRM techniques are used to manage the resource



# Competitive advantage aspect of developing people



In SHRM theory, and in much organizational practice, people are considered your best asset. Without people, nothing can be achieved! In an organization sense, highly skilled people create **competitive advantage**.

# Understanding SHRM in practice

A great way to understand and incorporate HRM with strategy is by linking people management systems with:

1. Dynamic capability (i.e. Managing strategy based on capabilities, competencies and skills developed mostly internally)
2. Establishing a 'knowledge based' organisation (i.e. Creating a culture for knowledge, communicating it, and integrating it with current systems)
3. Developing intellectual capital (human, social, organisational)



# SHRM Model (see Reading 1.4)

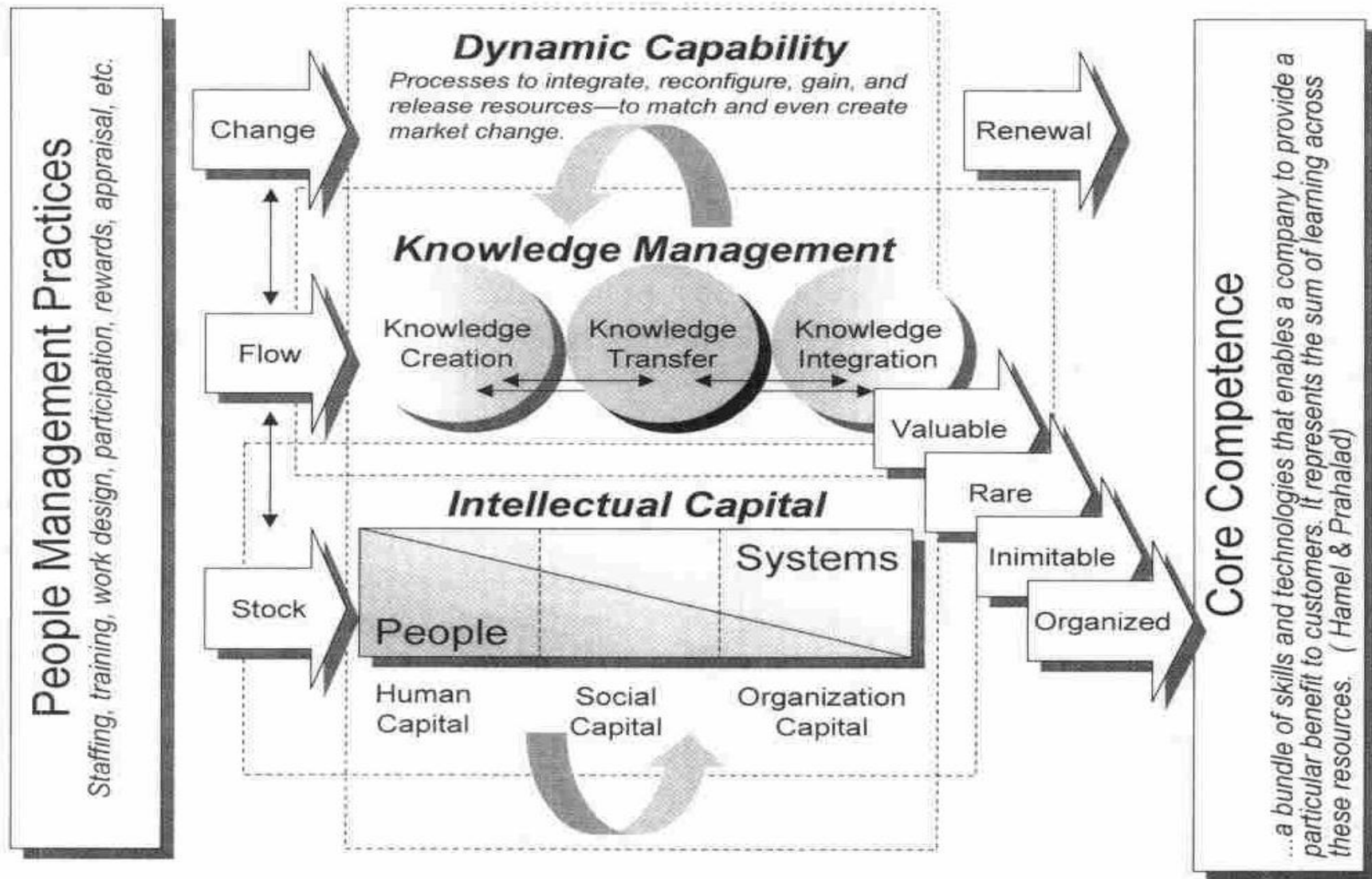
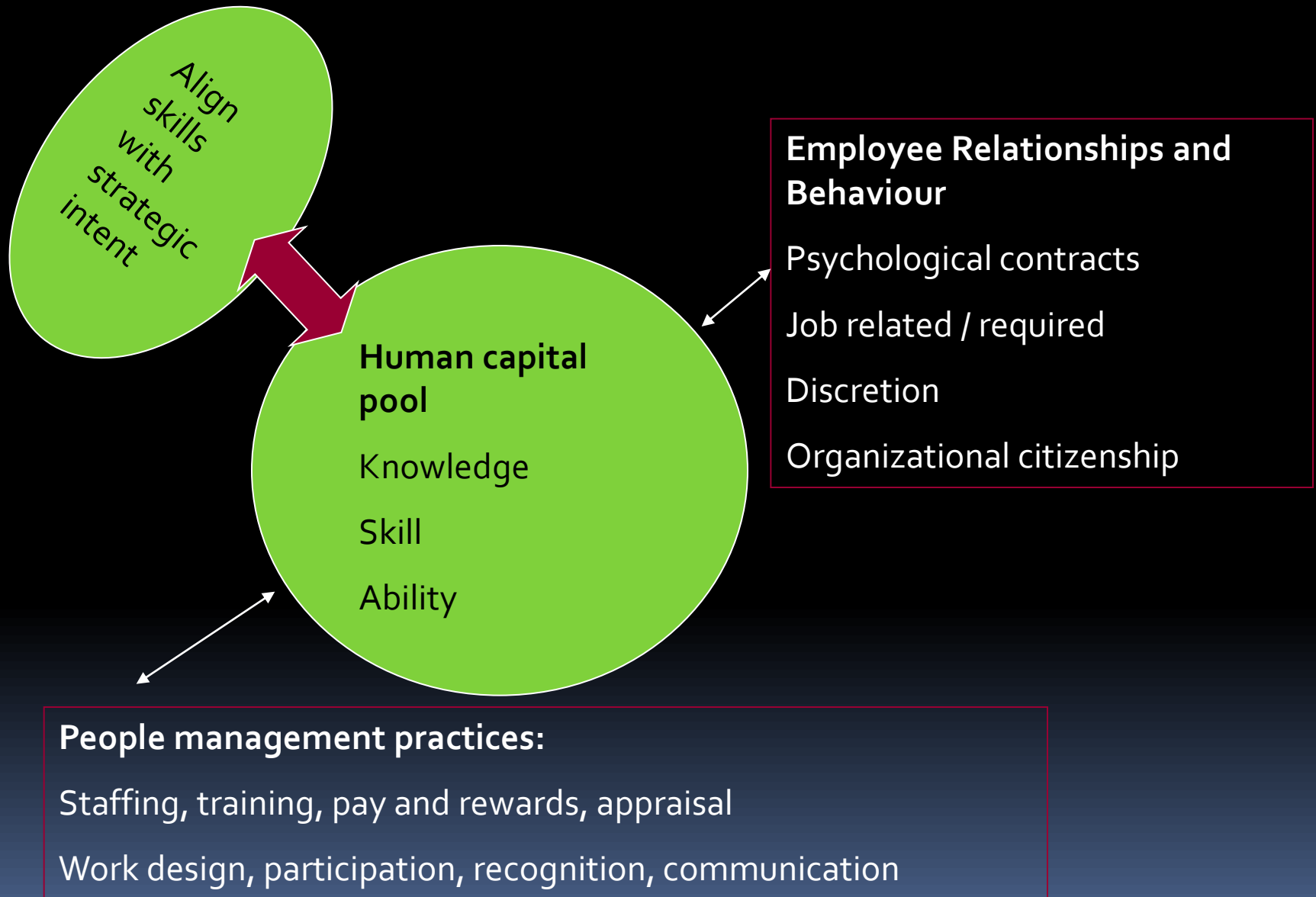


Fig. 2. A model for integrating strategy and strategic HRM.

# Strategic HRM





# Integrating strategy and HRM

**Dynamic  
Capability**

**Knowledge  
Management**

**Intellectual  
Capital**

**Competitive advantage through core competencies**



# Summary