

## How to Strategically Manage your Human Resources

**Author: Lindah Mavengere . March 2020**

Strategic human resource management is the connection between a company's human resources and its strategies, objectives, and goals. Strategic human resources management enables a relationship between business functions and the achievement of company goals. It focuses on the long term goals of an organization and where the organization is headed for the future. Strategic human resource management aims to:

- Advance flexibility, innovation, and competitive advantage.
- Develop an effective organizational culture that fosters service delivery.
- Improve business performance.

For strategic human resource management to be effective, human resources (HR) must play a vital role as a strategic partner when company policies are created and implemented. Strategic HR can be demonstrated throughout different activities, such as hiring, training, and rewarding employees.

Strategic HR involves looking at ways that human resources can make a direct impact on a company's growth. HR personnel needs to adopt a strategic approach to developing and retaining employees to meet the needs of the company's long-term plans.

### **Why is strategic human resource management important?**

Companies are more likely to be successful when all teams are working towards the same objectives. Strategic HR carries out analysis of employees and determines the actions required to increase their value to the company. Strategic human resource management also uses the results of this analysis to develop HR techniques to address employee weaknesses.

The following are benefits of strategic human resource management:

- Increased job satisfaction.
- Better work culture.
- Improved rates of customer satisfaction.
- Efficient resource management.
- A proactive approach to managing employees.
- Increased productivity.

Strategic human resource management is key to the retention and development of quality staff. Employees will likely feel valued and want to stay with a company that places a premium on employee retention and engagement. By following the following steps, you can effectively manage your human resources, to ensure an efficiently performing organization:

1. Develop a thorough understanding of your company's objectives
2. Evaluate your HR capability
3. Estimate your company's future HR requirements
4. Evaluation & corrective action

### **1. Develop a thorough understanding of your company's objectives**

The success of strategic HR is dependent on how well it links to your company's goals, you need to have a thorough understanding of your aims, objectives, and mission. Organizations need to be able to articulate both short and long-term plans for growth to the relevant HR personnel. Ensuring clear communication of company goals will make it easier for HR personnel to formulate an effective resource management strategy.

### **2. Evaluate your HR capability**

Evaluating your current HR capabilities will enable you to understand the employees you have and how they contribute to fulfilling your goals and objectives. Additionally, you should also undertake a skills inventory for every employee. Skills inventories help you to discover which employees are experts in particular areas. It also helps you to identify the employees who have an interest in being trained in a particular aspect of your company. A great time to assess skills is during a performance review. A performance review is critical for identifying areas that may be lacking in your employees and how best to improve them.

### **3. Estimate your company's future HR requirements**

After an analysis of your company's employees and skills has been done concerning your objectives, it's time to forecast your HR needs. The forecast should be done concerning:

**Demand** – A prediction needs to be made about the number of employees with the associated skills that will be required for your company's future needs to be met.

**Supply** – Looks at the employees and skills that are currently available to help your company achieve its strategic goals.

Forecasting your company's future HR requirements also determines the following:

- New jobs and roles required to secure the future of the company.
- Skills required by current employees to undertake the responsibilities of new jobs and roles.
- Whether your employees' expertise is being sufficiently utilized.
- Whether current HR personnel and practices can accommodate the company's growth.

### **4. Evaluation and corrective action**

HR personnel should decide on a timeline to carry out a strategic HR management review. This review

will track the progress made and also identify areas for improvement. The review should be measured against whether changes are helping your company to achieve its goals. Corrective action must be taken if strategic human resource management is failing to meet its objectives.

*Lindah Mavengere is a Business Consultant at Industrial Psychology Consultants (Pvt) Ltd, a business management and human resources consulting firm.*

**LinkedIn:** <https://www.linkedin.com/in/lindah-mavengere-552b32b2/>

**Phone:** +263 242 481946-48/481950

**Mobile:** +263 717 988 319

**Email:** [lindah@ipccconsultants.com](mailto:lindah@ipccconsultants.com)

**Main Website:** [www.ipccconsultants.com](http://www.ipccconsultants.com)

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