RUNNING HEAD: IMPORTANCE OF STRATEGIC HUMAN RESOURCE MANAGEMENT

Importance of Strategic Human Resource Management

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**Executive Summary**

This report discusses and explores the benefits of Strategic Human Resource Management in a multinational firm Zhik, which makes sports gear for underwater specifically while incorporating footwear, fishing necessities, sailing gear, regular runners and so on. The company portrayed and went through stable growth and development in the past few years, but have been facing challenges in order to gain a competitive edge on other competitors in the market. It is a given fact that good and stable HR practices aid in motivating the employees while simultaneously bringing an increase in the productivity of the organization. A focus alone on the investment of physical assets and neglecting the human resources is short seeing and will be no help in getting an edge. Having said everything, the end game is that Strategic Human Resource Management is vital and pivotal in order for a company to succeed and differentiate itself.

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Importance of Strategic Human Resource Management in an Organization

***Introduction***

 The company that was chosen for this report was Zhik, the importance of Strategic Human Resource Management will be explained in light of this organization. The main purpose of this report is to look into the advantages of Strategic Human Resource Management. The reason why the company Zhik was chosen is the fact that it saw steady growth over the past few years but is faced with heavy competition due to having strong competitors like Adidas, Reebok, Nike, Puma to name a few. HRM sterns upon an increase in productivity, which leads to the organization growing as a whole (Amarakoon, Weerawardena, and Verreynne, 2018)

. When an organization has a stable and effective HRM department the employees stay motivated which in return makes the productivity inevitable. It should be put into consideration that the investment made in physical assets only instead of the Human Resources will not aid in gaining an edge in the market. There are various strategies which suggest that having a good and superior product in conjunction with great production facilities is not put out to gain an edge over the competitors. HRM is essential to make any company skyrocket and has proven to be pivotal for an organization to gain success (Denhardt, Denhardt, Aristigueta, and Rawlings, 2018).

***Discussion***

*Strategic Human Resource Management (SHRM)*

 It is the process through which the human resource functions are linked to the strategic objectives and goals of the organization, which aids in the enhancement of the company performance (Bailey, Mankin, Kelliher, and Garavan, 2018). SHRM can be easily given the label of a coherent approach used to manage the company’s most valued assets. The people working under Human Resource (HR) both collectively and individually contribute to the achievement of the company goals. SHRM can also be defined as a unique tactic to employment management that is seeking to attain competitive edge via strategic deployment of highly capable and determined workforce with the use of a collection of structural, personnel and cultural techniques. SHRM's main focus is to look at the important facets of the Human Resource in a company to attain success (Bryson, 2018).

 Zhik is now one of the well-known companies when it comes to wet sports apparels. Lately, the main structure of Zhik comprises of various departments such as R and D, Marketing, Production, Human Resource Management and Finance. The growth that is required needs to be looked in the light of modern HR policies and with the help of proper management (Belhaj, and Tkiouat, 2017). There needs to be a reflection done on the development from commencement up till now, while simultaneously putting under consideration current lessons and experiences which are learned in the company while formulating.

*New Strategies*

If the organization is restructured to adapt to the novel challenges of nowadays, it will be better prepared to cater to the constantly increasing multifaceted sportswear manufacturing industry of the more modern and demanding community. Zhik has made a mark in the UK by providing gear for the Olympics, there is no doubt if the fact that the brand is luxury and they are getting prominent in the market by the day (Bell, Bryman, and Harley, 2018). Lately, they have been facing stiff competition from Adidas, Reebok, Nike, Puma and many big names in the market who have been present there before them. In order to rise in the industry and market, Zhik needs to differentiate their products from other companies, this will act as a superior advantage in the market. The only way this can be achieved is by a highly skilled, motivated, innovative and flexible workforce, which fits the criteria global sports fanaticism and personalities. There needs to be a flexible team developed which responds immediately to the conforming environment. Zhik as an organization has grown and now it is in need of a human resource manager who looks into the wellbeing of the increasing staff (Banfield, Kay, and Royles, 2018). The HR specialists are mainly looked at as a business partner's not just administrators for business strategies in order to make an impact. Below are the key strategies that will be introduced in order to make a difference.

Leadership

The main type of leadership that the top management will be using will be “Visionary Leadership.” This kind of leadership will aid in providing values, purpose and pave a direction to success in the HR. It is always one of the key strategic issue that the leadership is not good enough to motivate the employees to make a mark. If the HR is not motivated how can they further figure out strategies to bring out policies to run the organization better? A good leadership influence on the HR department is essential to kick start the rest of the company (Collings, Wood, and Szamosi, 2018). It needs to be kept in mind that the company is formed with employees, they are the ones who need to be in full form in order for the organization to thrive further. A visionary leader can make a mark by presenting the employees with the vision that he/she has for the company. It should be kept in mind that if the leader of the company is not clear and enthusiastic about the vision, how will the employees be able to reflect the same passion? So, strong leadership is the key to make a mark. The employees work satisfaction can also improve if the leadership is good and is pointing and guiding them in the right direction via HR. This in return increases the commitment and accountability of the employees. Even the equal opportunities in the company are under the impact of good leadership and SWOT on the company’s HR. These tactics can be used by the top management of Zhik to take a step forward to competing with the other companies (Uhl-Bien, and Arena, 2017).

*Three Concepts*

 Talent Management

 There are certain HR strategies that are interference directed towards specific areas for the improvement of the company. Talent management is one of those strategies. It is a systematic process which helps nail down all the vacant positions in the company, then hire suitable candidates, developing and enhancing the skills of the selected candidates and matching them to the position and lastly retaining them to meet the long-term objectives and goals of the company. Zhik’s leadership can make use of this procedure to hunt down the best of the best employees for their company to gain a competitive edge against its competitors (Haak-Saheem, and Festing, 2018). The talent management process model consists of six steps:

* Planning – This is the first step, in this stage human capital requirement is identified, key roles and job description is set, a workforce plan for recruiting is proposed.
* Attracting – In this step the source of recruiting is decided that whether internal or external recruiting needs to be done and after that suitable candidate are asked to fill in the vacant positions through sites like Timesjob.com, social media and referrals.
* Selecting – The step of selecting and recruiting the candidate is done by interviews and tests, then analyzing the best possible candidate for the job.
* Developing – The employee is prepared in regards to the organization requirement. Onboard program or an orientation program is used for that. Enhancing the candidate's skills, aptitude, and proficiency. Lastly, mentoring, coaching and guiding the employee and job rotation.
* Retaining – Employee retention is essential, it can be done via increments and promotion. Providing growth opportunities, giving the chance of decision making, teaching a new skill and identifying the contributions and efforts made by the employee.
* Transitioning – the main aim of talent management is the holistic transformation of the employee to attain the organization’s vision. It can be done via giving the employee retirement benefits, internal promotion and so on.

Performance Management

 One of the largest duty of HR is the regulation of performance management. It is essential to create space where Zhik and its employees can develop great work and give the best performance. A company which has stable and good performance management already has a competitive edge (Hayes, 2018). It is obvious that good performance management is not just creating a good ambience and environment, it is more than that. With the right strategies applied it can be managed very well. Effective performance management is about good leadership, substantial feedback, strong interpersonal relations, and last but the most important being teamwork. Below are six management strategies that can help make a prominent and good difference.

1. It is essential that Zhik makes sure that they are clear about the company’s goals and the performance objectives. The company cannot gain an edge if the employees are not aware of the goals and vision of the company. They need to be made well acquainted with them.
2. Zhik needs to make use of the Performance Management Software. This will help save time and aid in streamlining performance management strategies.
3. The employees of the company need to be given frequent performance feedback. This will help them understand where do they stand and what direction they need to go in order to get closer to the required objectives. The feedback can either be negative or positive. Whatever the case, it will aid in making the employee productivity.
4. Make use of the Peer reviews which is also known as the 360-degree model. This will help all the employees communicate and work together in a better manner, while also helping them learn from one another (Johnson, and Szamosi, 2018).
5. The company needs to instil recognition and preemptive management. Rewards can be given for good performance and it is essential that communication is done with the employees letting them know what is expected of them and what is not, and how the set goals can be met.
6. Regular meeting needs to be set so the outcomes and results can be discussed. This will help see the bigger and see where the company is standing. The better understanding of how to achieve goals can be done (Kanki, 2019). These meeting can be a weekly thing or a monthly depending on the deadlines of the objectives and goals.

Compensation Process

 Zhik needs to look in the fact that the compensation will be considered fair by the workers if it is based on the systematic components. The system is mainly based on the below-mentioned components (Leroy, Segers, Van Dierendonck, and Den Hartog, 2018).

* Job description – a component of both the compensation and selection system. It makes up the job requirement, duties, functions, responsibilities and so on.
* Job Analysis – the procedure of comparing jobs on the basis of which the job description is developed. In this part the candidate is put through interviews, is observed and questioners are filled.
* Job Evaluation – this is the process in which the jobs are compared. The ranking, classification, point method and factor comparison techniques are used.
* Pay Structure – this is very useful to make standard compensation practice. Majority of the pay structures are inclusive of several grades.
* Salary Survey – this is mainly the collection of market data and salaries. It may be inclusive of the average salary, cost of living indicators, and inflation indicators and so on (McCaffery, 2018).

Now looking into different types of compensations:

* Base pay.
* Commissions.
* Pay for doing overtime.
* Bonus, merit pay and the sharing of profit.
* Benefits.
* Stock options.
* Travel, housing and meal (Uhl-Bien, and Arena, 2018).

Compensation plan consists of a few steps as well.

* Firstly, a program outline is developed.
* Elect a person to supervise designing the compensation plan.
* Establish the philosophy of compensation.
* Carry out a job analysis of all the positions.
* Make an evaluation of all the jobs.
* Determine and regulate the grades.
* Develop the pricing on the basis of grade and set a salary range.
* Regulate a salary structure which seems appropriate.
* Establish an administration policy for the salary.
* Get the approval of the top executive.
* The final step is to communicate the plan to the managers and employees.
* Lastly, make sure to monitor the plan.

Management Competencies

 Zhik needs to keep instil the seven competencies of a great manager in the managers of their organization. The main idea is to achieve high satisfaction. For that below are the seven steps that can be used (Northouse, 2018).

1. Communication – A manager should be able to communicate to the employee team the vision that he has for the company. The team needs to know what direction they need to go in, and what are the objectives that need to be achieved are.
2. Delegation – The only way a manager can delegate effectively is by tapping into the strengths and weaknesses of the team (Olson, Slater, Hult, and Olson, 2018).
3. Motivation – it needs to be understood that each person is motivated differently, a good manager should know how to connect with and motivate all the people in the team.
4. Task management and Organizing – You as a manager are responsible for finding the efficient way to organize, regulate and prioritize the work (Paauwe, and Boon, 2018).
5. Patience – Be patient with the team, always remember that patience is key no need to rush or pressurize anyone.
6. Building an Effective Team – It is essential that a manager builds a good team. A good team is made on the basis of the strengths and weaknesses of the people who are in it. The weakness of one teammate can be compensated by the strength of the other (Para-González, Jiménez-Jiménez, and Martínez-Lorente, 2018).
7. Self-development – it is essential that a manager constantly develops him or herself personally, they need to bring flexibility in their behaviour to do so.

***Conclusion***

So, it is understood that Zhik is in need to apply strategic human resource management in order to get an edge. It is evident through this report that there are certain strategies that can make or break a company. The fact that Zhik was not able to differentiate itself that well in the market is holding it back and not letting it pass the competitors who have been there in the for a longer time. With the above-mentioned strategies the company can take a turn and skyrocket in the market. The leadership of the company will be able to make the table turns with just a little more emphasis on Human Resource Management.

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