RUNNING HEAD: IMPORTANCE OF STRATEGIC HUMAN RESOURCE MANAGEMENT

The Importance of Strategic Human Resource Management

[Name of the writer]

[Name of the institution]

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**The importance of Strategic Human Resource Management in an Organization**

***Introduction***

 The firm that I picked for this report is loznpoz, the importance of Strategic Human Resource Management will be clarified via this company. The main drive of the paper is to discuss the advantages of Strategic Human Resource Management. The reason behind choosing loznpoz was the fact that it has been showing steady growth ever since it emerged in the market for its active wear but companies like D+K, Adidas, Reebok and Nike are giving it a tough time. HRM emphasizes in the increase in productivity, which will lead to a holistic Organization growth (Amarakoon, Weerawardena, and Verreynne, 2018). A stable and effective HRM sector means that the employees stay motivated which in return increases the productivity. Strategies suggest that having a good product does not necessarily means that there will be high productivity, hence HRM is very important (Denhardt, Denhardt, Aristigueta, and Rawlings, 2018).

***Strategic Human Resource Management (SHRM)***

 The procedure through which the human resource functions are linked with strategic goals and objectives of a business, which helps in boosting the organizational performance (Bailey, Mankin, Kelliher, and Garavan, 2018). SHRM can be given the tag of an articulate method which is used to handle the organization’s treasured assets. The individuals employed under Human Resource (HR) together cooperatively and separately donate to the accomplishment of the business objectives. SHRM can also be described as a distinctive method to employment running that is looking for attaining competitive edge through strategic placement of exceedingly accomplished and resolute staff with the usage of a pool of mechanical, personnel and ethnic procedures (Bryson, 2018).

loznpoz is an Australian company which makes active wear for men and women. There leggings are famous for being good quality and perfect for both a run and sitiing back at home. The structure that is followed by loznpoz encompasses different departments such as Marketing, R and D, Production, finance and Human Resource Management. The progress that is essential needs to be portrayed via HR policies of the modern day and with proper management (Belhaj, and Tkiouat, 2017). A mirror image of the progress from origination up till now needs to be done, while concurrently looking into lessons learned and experiences gained from the company.

*Strategies*

If a business is rationalized to adjust to the fresh challenges of today, it will be better equipped to satisfy the continually cumulative complex active wear industry of the demanding and modern society. Loznpoz is growing in the Australian market with its trendy and fresh vibe, it is definitely more on the pricey side and is targeting the niche market (Bell, Bryman, and Harley, 2018). They have been facing strong competition from D+K, Adidas, Reebok and Nike and many big names who are older in the market. For Loznpoz to make a mark in the market they have to gain a competitive edge. The only way this can be attained is by an expert, driven, innovative and flexible and motivated workforce, which fits the standard of global active wear fanaticism. A flexible team needs to be developed which instantly responds to the changing environment. Loznpoz as an organization has emerged in the market and now it needs a human resource manager who will look into the wellbeing of the increasing staff (Banfield, Kay, and Royles, 2018).

*Key Concepts*

 Talent Management

 Certain HR strategies are intervention focused on particular areas for the improvement of the business, talent management being one. It is a methodical process which aids in figuring out the vacant spaces of the company, then hire suitable candidates, develop and enhance their skills in regards to the job requirement. Loznpoz’s leadership can use this process to find employees that will help the company gain an edge (Haak-Saheem, and Festing, 2018).

Six steps of talent management process model:

1. Planning

Human capital need is recognized in this step, important parts and job description is set, a staff strategy for employing is planned.

1. Attracting

The medium of recruiting is decided that if external and internal recruiting is required. Following that appropriate applicant are asked to fill in the spots through various sites like Naukri.com, social media and referrals.

1. Selection

The stage of recruiting and selecting the applicant is done via interviews and tests. Followed by this, the best possible candidate is analyzed.

1. Development

The worker is prepared as per the organizational need, an onboard plan or an orientation plan is used for it. Augmenting the applicant's skills, ability, and expertise in conjunction with mentoring, coaching and guiding the worker.

1. Retaining

Worker retention is vital, it can be done through promotions and increment. Giving them the chance to grow, letting them in the decision making, teaching a new skill and recognizing the contributions and hard work made by the worker.

1. Transitioning

The actual focus of talent management is the overall transformation of the worker to achieve the company’s vision. It can be done through employee retirement benefits, internal promotion and many more ways.

Performance Management

 The major responsibility of HR is enhancement of performance management. It is important that a space is created where Loznpoz and its workers can advance excellent work and give the best performance. An organization with good performance management already has a competitive edge (Hayes, 2018). Effective performance management is all about good leadership, considerable feedback, strong interpersonal associations, and the most important being teamwork.

Management strategies:

* It is important that loznpoz makes sure that all the employees of the organization are well aware of the company’s goals and the performance objectives. The organization will not be able to gain a competitive edge if the staff is not conscious of the vision and goals of the organization.
* Loznpoz should use the Performance Management Software. This will help save time and support in rationalization the performance management strategies.
* The staff of the business should be given recurrent feedback on the basis of their performance. This will aid in understanding where do they stand and what way they need to go to get nearer to the compulsory objectives. The feedback can be both good and bad, however, will help in making the workers productive.
* Use Peer reviews which is also known as the 360-degree model. This will assist all workers to connect and work together in the best way possible, this will also help them learn from one another (Johnson, and Szamosi, 2018).
* The organization should instil gratitude and preemptive management. Rewards should be given for a job well done and it is important that communication is done with the staff letting them know what the company expects of them and how the goals will be achieved.
* Meetings should be held every now and then so that the outcomes and results can be made evident (Kanki, 2019). These meeting can be held on a weekly basis or every month depending on the objectives to be achieved.

Compensation Process

 Loznpoz needs to know that compensation will be deliberated just by the employees if it is on the basis of systematic components. The system is mainly based on a few components (Leroy, Segers, Van Dierendonck, and Den Hartog, 2018). First component being Job description, a component of both the compensation and recruitment system. It consists of job obligation, responsibilities, roles, accountabilities and so on. Second being Job Analysis, the process of equating jobs on the basis of job description development. In this part the applicant is put through interviews, is observed and questioners are filled. Third, Job Evaluation, this is the procedure in which the jobs are equated. The position, cataloguing, point method and factor comparison methods are used. On the fourth we have, Pay Structure, this is very beneficial to make customary compensation practice. Bulk of the pay structures include several grades. Lastly, Salary Survey, this is the group of market data and salaries. It may include average salary, cost of living pointers, and inflation pointers and so on (McCaffery, 2018). The different types of compensations are; Base pay, commissions, payment for doing overtime, bonus, merit pay and the sharing of profit, benefits, stock options. And lastly, travel, housing and meal (Uhl-Bien, and Arena, 2018).

Steps of compensation plan:

1. Development of a program outline.
2. Choosing an individual to oversee the design of the compensation plan.
3. Develop philosophy of compensation.
4. Do a job analysis of all the positions.
5. Evaluate all the jobs.
6. Regulate and adjust the grades.
7. Establish the appraising on the base of grade and set a salary range.
8. Standardize a salary structure which seems fit.
9. Develop an administration policy for the salary.
10. Attain support of the top executive.
11. The second last step is to converse the plan to the managers and employees.
12. Lastly, screen the plan.

Management Competencies

 Loznpoz should instil the seven competencies of a great manager in the managers of their business. The idea is to accomplish high satisfaction (Northouse, 2018).

Seven Competencies

1. Communication

A manager should be able to communicate to the workers team the vision that he has for the company. The team needs to know what direction they need to go in order to achieve the objectives.

1. Delegation

The only way a manager can delegate efficiently is by tapping into the strengths and weaknesses of the team (Olson, Slater, Hult, and Olson, 2018).

1. Motivation

It needs to be unspoken that each individual is driven differently, a good manager should know how to connect with and motivate all the individuals in the team.

1. Task management and Organizing

You as a manager are accountable for finding the efficient way to organize, regulate and prioritize the work (Paauwe, and Boon, 2018).

1. Patience

Be patient with the team, always remember that patience is key no need to rush or force anybody.

1. Building an Effective Team

It is vital 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 teammate (Para-González, Jiménez-Jiménez, and Martínez-Lorente, 2018).

1. Self-development

It is important that a manager continually develops him or herself personally, they need to bring flexibility in their behavior to achieve that.

Leadership

The main type of leadership that the top management at Loznpoz will be using “Visionary Leadership.” This kind of leadership will assist in providing values, drive and surface a way to success in the HR. It is always one of the key tactical problem 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 tactics to bring out policies to run the organization better? A good leadership influence on the HR department is vital to start the rest of the business (Collings, Wood, and Szamosi, 2018). It needs to be kept in mind that the company is formed with workers, they are the ones who need to be in full form in order for the business to flourish 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 loznpoz to take a step forward to competing with the other companies (Uhl-Bien, and Arena, 2017).

***Recommendations and Conclusion***

It is evident that Loznpoz needs to apply strategic human resource management to get a competitive edge over other companies. This report reflects on the fact that there are particular strategies that can help a company sky rocket or go down the hill. The point that Loznpoz could not differentiate themselves like they wished to in the market is holding them back to leave behind their competitors. The above mentioned tactics can help the company make a mark in the market. The leadership of Loznpoz only need to stern a little on the Human Resource department of the company to make a significant difference on the overall position of the company.

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