

Advanced Strategic Human Resource Management

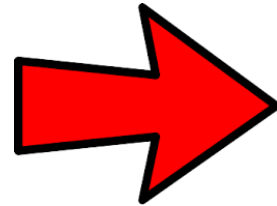


Handouts: **Session 1-2**

WHAT IS HUMAN RESOURCE MANAGEMENT?

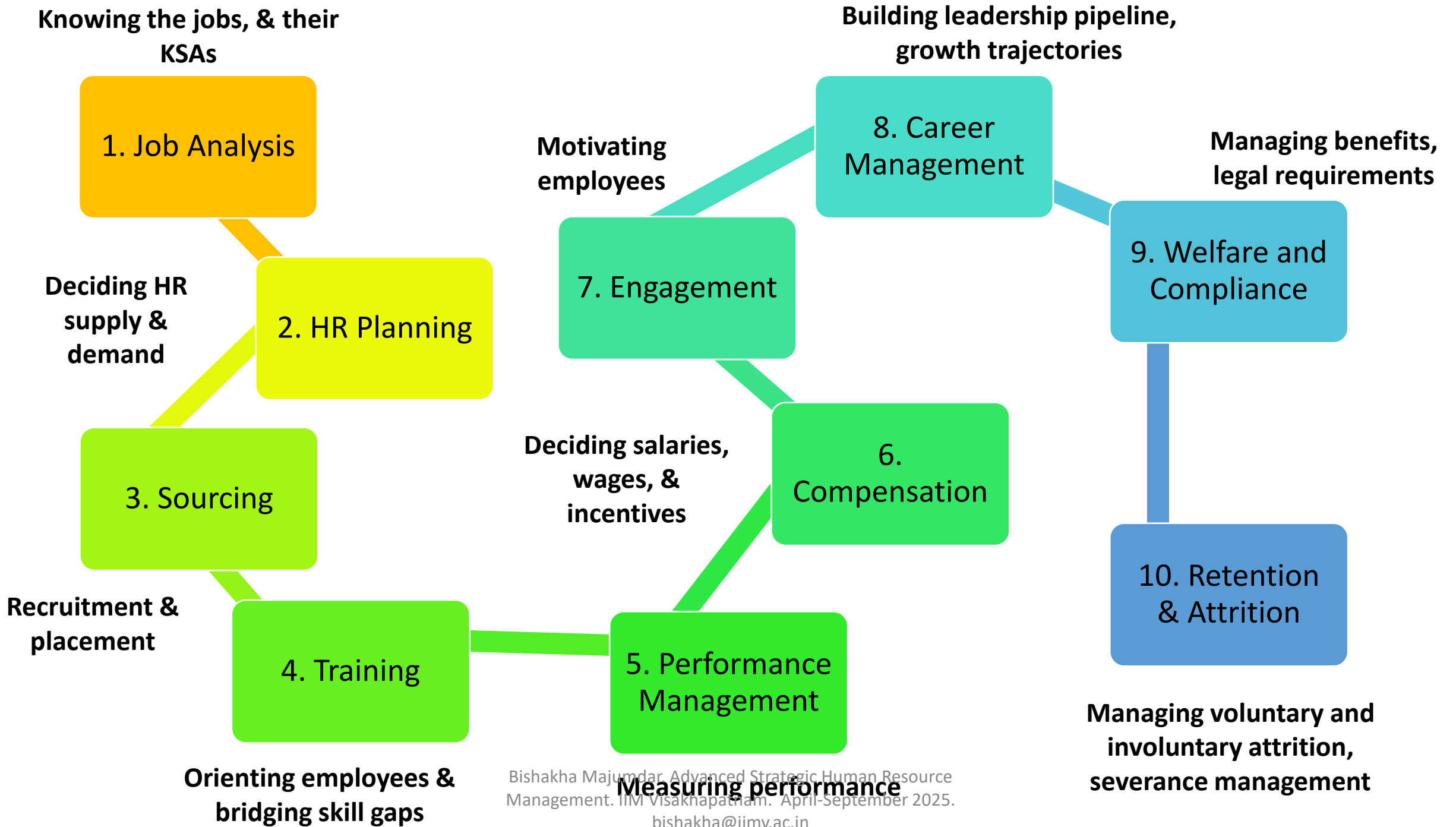
MANAGEMENT

- **PLANNING** – setting goals, rules, and procedures
- **ORGANIZING** –delegating and coordinating tasks
- **STAFFING** – recruiting, training, appraising, compensating, and promoting employees
- **LEADING** – motivating and guiding people
- **CONTROLLING** – comparing performance against set goals, and taking corrective actions



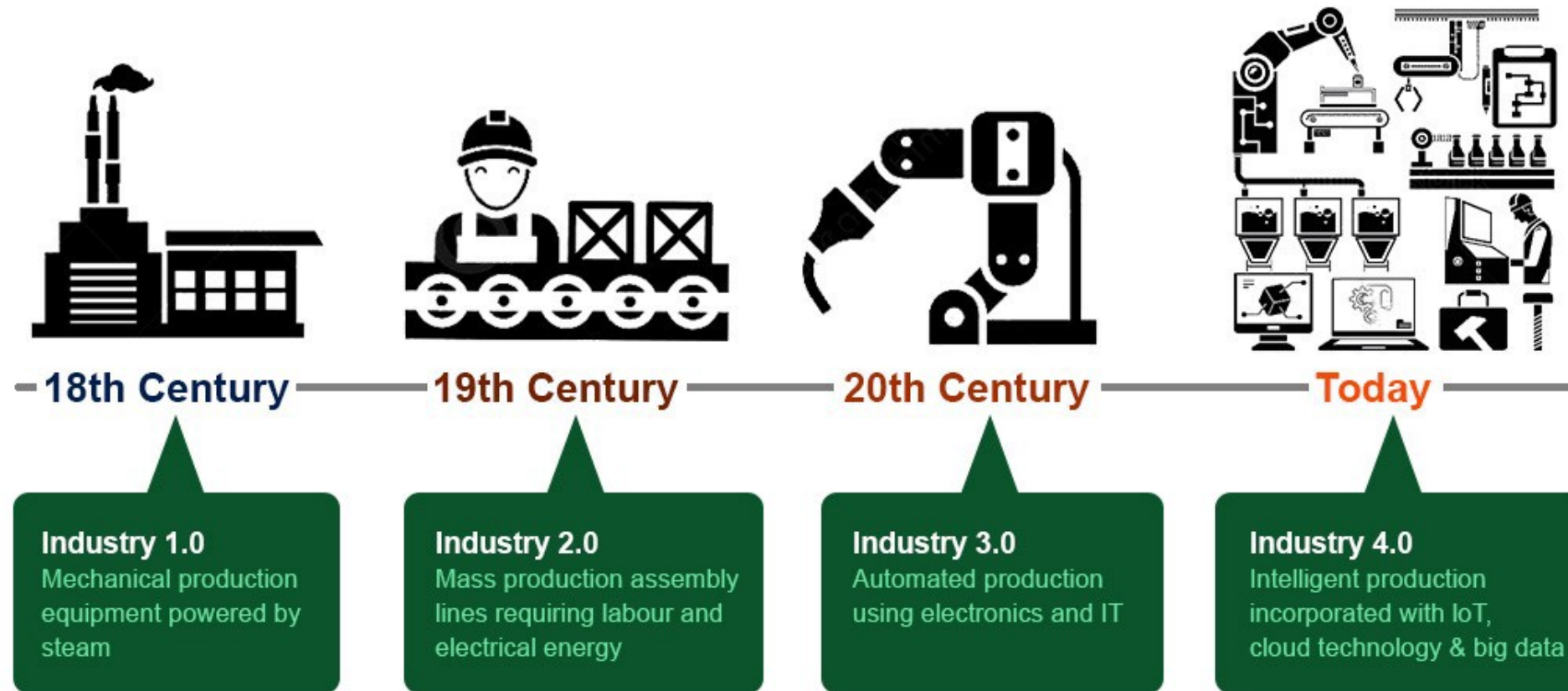
Human Resource Management

- The process of acquiring, training, appraising, and compensating employees, and attending to their labour relations, health and safety, and fairness concerns



Is HRM changing?

Evolution of Human Resource Management

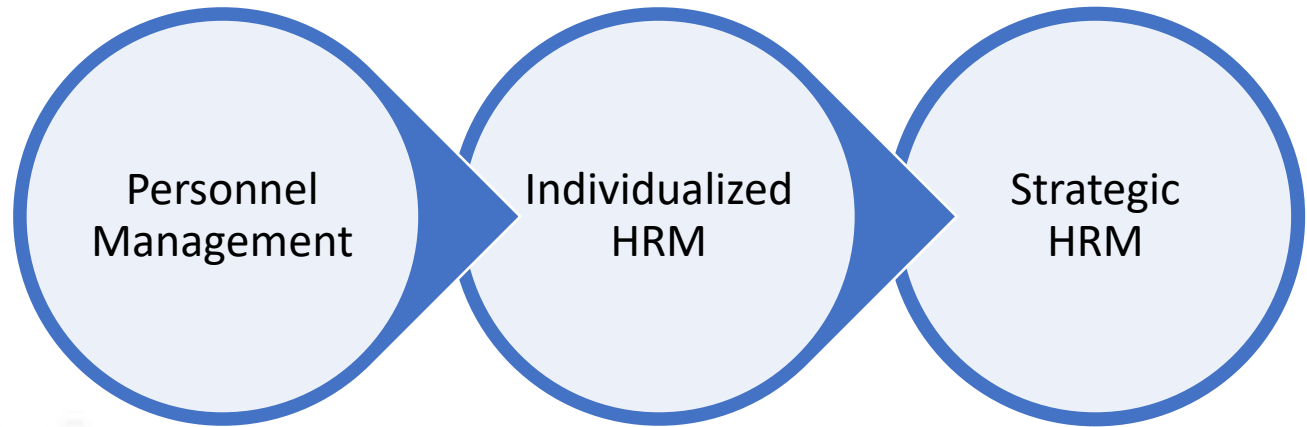


<https://techtzpah.com/evolution-of-industrial-revolution-4-0/>

- Organizations are social systems
- Workers may seek non-rational rewards
- Organization's goals and workers' goals must match
- Productivity comes from team-work, communication, and autonomy

- Organizations are machines; workers are parts of the machine
- Efficient workers create efficient organizations
- Efficiency comes from standardization and specialization

- Organizations are open systems
- Organizations need to be understood in their entirety, with strategy driving systems
- Organizations need to learn, improve, & transform continually



HR as Cost Centre

- concerns – cost-cutting

HR as Investment Centre

- concerns – purpose, costs, potential benefits, associated risks

Global mega-trends
disrupting HR
practice

What is being disrupted in HR practice?

Flexible workforce

The concept that employment relations take place within a bounded space and a structured time, and with a task-based job description

Digitalization of
business
models

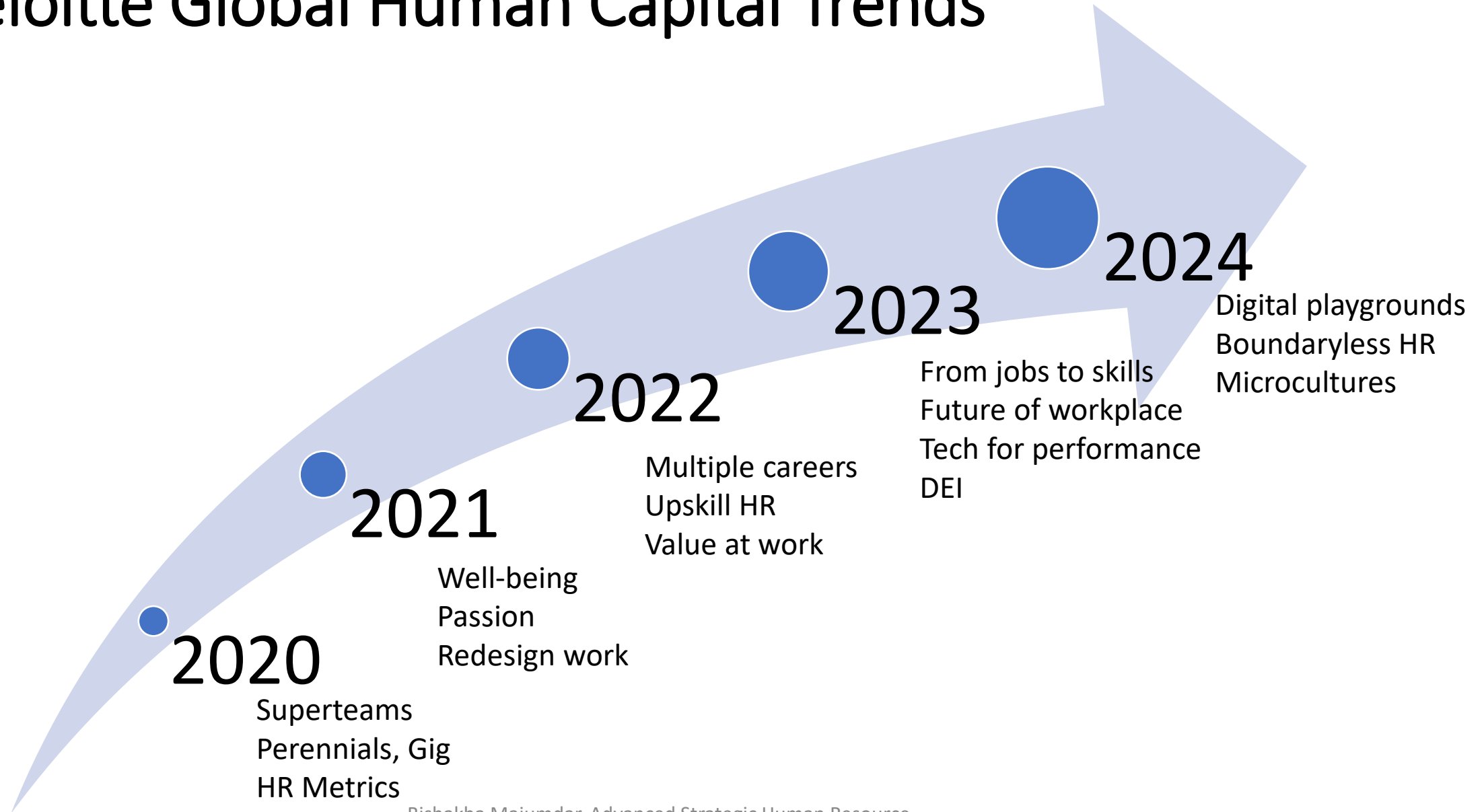
Need to reinvent HR's organizational value proposition by switching the focus from employees to customers

AI and machine
learning

Need to embed AI and machine learning in existing HR processes without triggering unintended consequences

Dana Minbaeva, 2021

Deloitte Global Human Capital Trends



2025 Global Human Capital Trends

- Eliminating busywork
- Motivating at the individual level
- Human performance engineering
- AI as a friend for employees
- Reinventing the role of managers

https://www2.deloitte.com/content/dam/insights/articles/glob187692_global-human-capital-trends/DI_2025-Global-Human-Capital-Trends.pdf

Layoff tsunami 2023

- 2023 - the bleakest year on record for the tech industry.
- 226,000 employees being let go by tech companies in 2023; 40 percent rise from 2022's layoff figure
- Google, Meta, Microsoft, and Amazon have been at the forefront of this wave of layoffs
- uncertain global economic landscape, inflation, ongoing supply chain challenges, and a deceleration in revenue growth
- “Our next stage of growth requires a different mix of skill sets, particularly in AI and early-stage product development.” - Drew Houston (Dropbox CEO), while announcing job cuts’
- average salary for a senior software engineer specializing in artificial intelligence or machine learning is 12% higher than for those who don't specialize in that area – “the AI premium.”
- 69% jobs in India under threat by automation in 20 years – Forrester report, 2023
- Layoffs due to technology adoption prominent in Finance, automobile, and health sectors

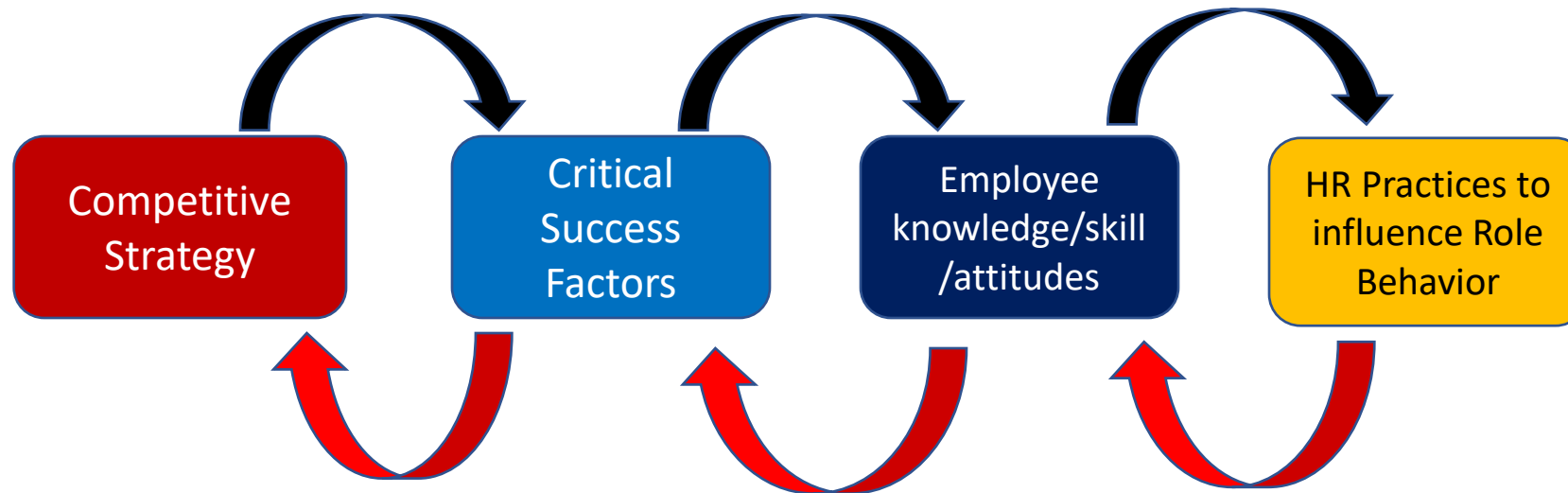
<https://www.businesstoday.in/technology/news/story/layoff-tsunami-2023-tech-companies-laid-off-226000-employees-to-date-40-more-than-in-2022-394245-2023-08-16>

Tech Reset 2024

- 1,36,000 employees laid off by 422 tech companies in 2024; 27000 in August 2024
- Major layoffs by Intel (15000), Cisco (4000), Microsoft (1900), IBM (3900), Amazon, and Google
- Slowdown in demand, poor revenue growth, economic uncertainty, pandemic over hiring, offshoring
- Shift focus towards high-growth areas such as cybersecurity and artificial intelligence
- Reliance Industries announced 42,000 job cuts as part to enhance cost efficiency

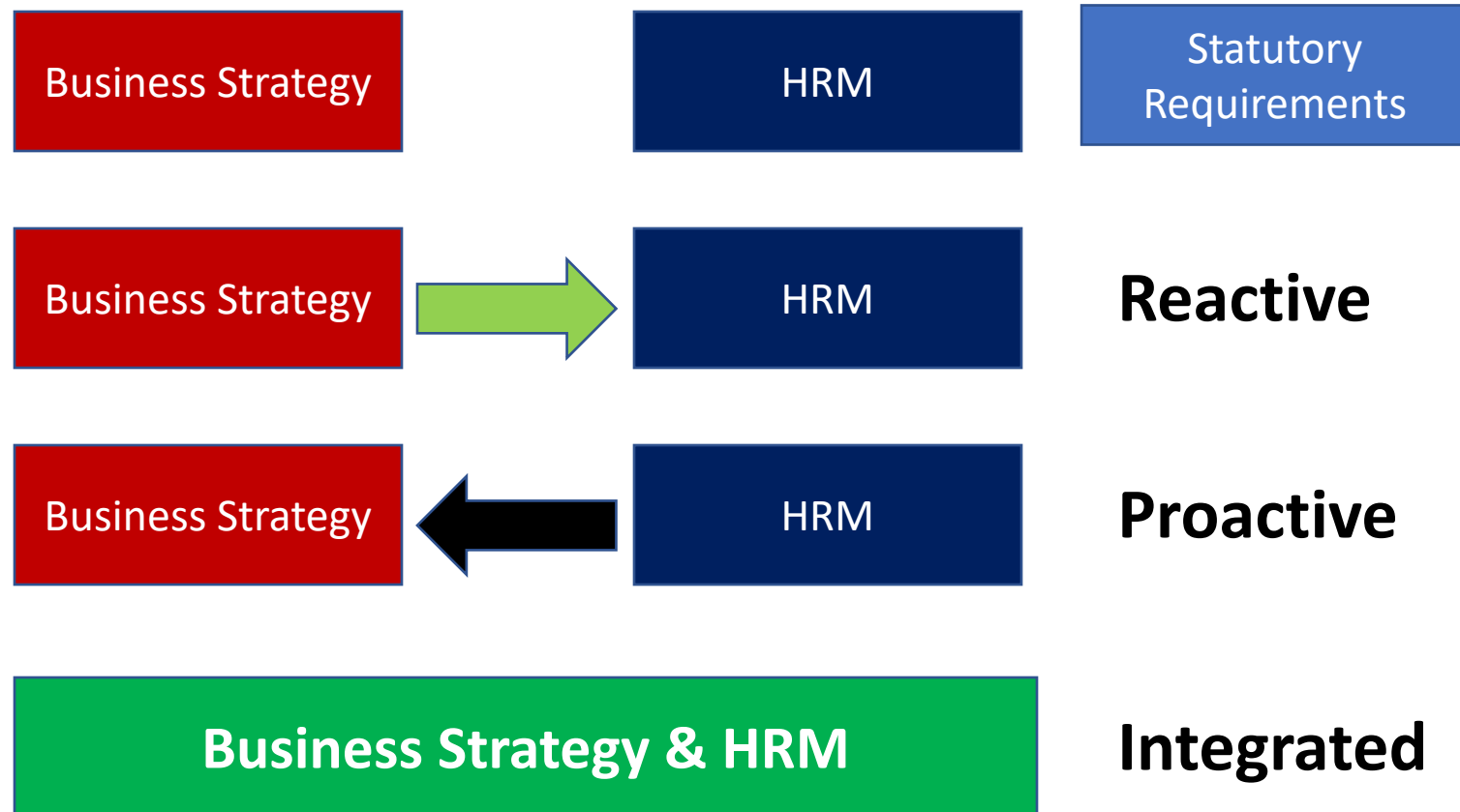
How HR enables Competitive Strategy?

HR Strategy Formulation



HR Strategy Implementation

Business Strategy & HR Strategy: Depth of Linkage



The HR Scorecard

Ulrich, 1997 – 4 HR Philosophies



Origin of Strategy: VMOS

“to provide access to the world’s information in one click.”

“to organize the world’s information and make it universally accessible and useful.”

Improve the quality and reach of internet by 2020

- Accelerate the Google Fibre programme
- Expand Loon for All programme

Vision

Mission

Objectives/Goals

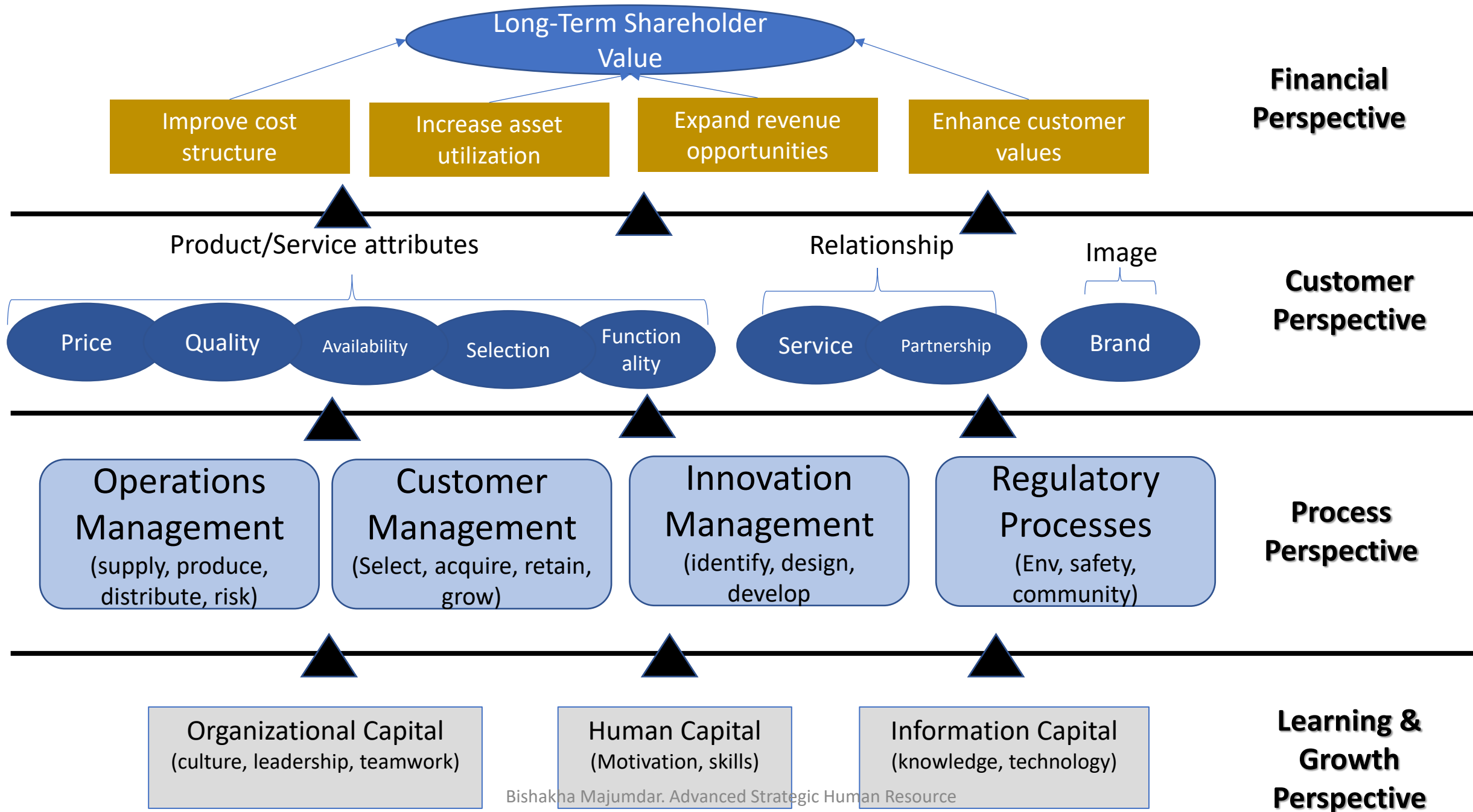
Strategy

Why: A desired ideal state the organization seeks to achieve in the future

What: The way in which the organization communicates its business to the outside world

How Much by When: Specific measurable targets that lead to the overall dream state

How: The steps to be taken to reach the goals



The HR Scorecard



To what extent is HR focused on each role?

What are the HR interventions needed?

HR COMPETENCIES

- Admin Expertise
- Employee Advocacy
- Strategic Execution
- Change Agent

HR PRACTICES

- Communication
- Work Design
- Selection
- Development
- Measurement
- Rewards

HR DELIVERABLES

- Workforce Mindset
- Technical Knowledge
- Workforce Behaviour

Learning and Growth

STRATEGIC FOCUS

HR SYSTEM

- Alignment & Integration
- Differentiation

What are the expected outcomes?

As a whole, what is the HR System's goal?



HR Scorecard

KPI	Current score	Target
<ul style="list-style-type: none"> Position in the sector-wide innovation benchmark 	5	Top 3
<ul style="list-style-type: none"> Time to market of last 5 new products in days 	121	95
<ul style="list-style-type: none"> Satisfaction score of manager after 1 year (<i>quality of hire</i>) 	0.70	0.85
<ul style="list-style-type: none"> Recruitment cost in Dollars 	4 MM	3.5 MM
<ul style="list-style-type: none"> Time to hire in days 	38	25
<ul style="list-style-type: none"> Acceptance ratio in % 	70%	90%
<ul style="list-style-type: none"> Top employer benchmark 	Top 40%	Top 20%

Bishakha Majumdar. Advanced Strategic Human Resource Management. IIM Visakhapatnam. April-September 2025.
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Alignment and Integration

Strategic Choices and Traditional HR Alignment

	Work Design	Performance Measures	Selection of Competencies	Competency Development	Rewards	Communication
	<ul style="list-style-type: none"> • Right Work • Key Processes • Job Design • Organizational Design 	<ul style="list-style-type: none"> • Culture • Expectations • Feedback • Levels 	<ul style="list-style-type: none"> • Hire • Move • Exit 	<ul style="list-style-type: none"> • Orientation • Current Job • Career Level 	<ul style="list-style-type: none"> • Behavior • Consequences • Reward Levels 	<ul style="list-style-type: none"> • Strategy • Mindset • Status
Operational Excellence	<ul style="list-style-type: none"> • Centralized/controlled • Strict policies/procedures 	<ul style="list-style-type: none"> • Total cost productivity • Errors • Waste • Abandoned calls • Lost customers/accounts • Net sales → head count • Times/deadlines met 	<ul style="list-style-type: none"> • Strong basic education: <ul style="list-style-type: none"> – Quantitative – Verbal <ul style="list-style-type: none"> * Written * Oral • Process competencies • Passive learners 	<ul style="list-style-type: none"> • Strong orientation on expectations, rules • Predictable career ladder • Learning structured 	<ul style="list-style-type: none"> • Team productivity awards • Profit sharing tied to performance criteria • Skill-based pay 	<ul style="list-style-type: none"> • Strategic choice • Teamwork • Encourage process improvement • Productivity improvement feedback
Product Leadership	<ul style="list-style-type: none"> • More autonomy • Teams (cross functional) 	<ul style="list-style-type: none"> • % Sales from new products (e.g., last 3 years) • Margin • New sales growth • Customer growth • Industry accolades/recognition • Copyrights • Patents 	<ul style="list-style-type: none"> • Technical/research competencies • Outside-the-box thinkers • Active learners 	<ul style="list-style-type: none"> • Employees responsible for learning • Mandatory competency growth • Feedback on professional competency growth 	<ul style="list-style-type: none"> • Team innovation awards • Competency-based pay 	<ul style="list-style-type: none"> • Strategic choice • Antibureaucratic • Candor • Humble • Encourage ideas/problem-solving • Let employees know what a winner "looks like" • Feedback on new product sales
Customer Intimacy	<ul style="list-style-type: none"> • Coordinated • Know the customers' needs 	<ul style="list-style-type: none"> • Customer guarantees • Customer retention rate • No. referrals from current customers 	<ul style="list-style-type: none"> • Active learners • Networking competencies • Resourcefulness 	<ul style="list-style-type: none"> • Oriented toward long-term relationship with customer • Not a lot of ladders • Acts as a consultant to customer/partner 	<ul style="list-style-type: none"> • Individual awards • System awards • Nonfinancial awards • "Fee for Service" awards 	<ul style="list-style-type: none"> • Strategic choice • Customer advocates • Know your customers' needs

HR practices should be complementary to one another and should be internally consistent

Differentiation

HR strategies should be context-specific, facilitating the achievement of business strategies

Lower importance than Strategic capabilities, paid at market average

Lowest in importance; Focus on least expensive options while ensuring quality

<i>High</i>	Professional Partners	Strategic Capabilities
	<ul style="list-style-type: none"> • Not readily available • Low strategic leverage • E.g., non-core operational managers and executives 	<ul style="list-style-type: none"> • Not readily available • Significant strategic leverage • E.g., core operational managers, directors
<i>Low</i>	Contract Services	Operational Partners
	<ul style="list-style-type: none"> • Readily available • Little strategic leverage • E.g., Canteen staff 	<ul style="list-style-type: none"> • Readily available • High strategic leverage • E.g., core operational staff

Focus on selection, competitive pay, development, retention, engagement, & innovation. Most important group

Lower in importance than Strategic capabilities, competitive pay

Low

Competitive Advantage Value of Human Capital

High

Bishakha Majumdar, Advanced Strategic Human Resource Management. IIM Visakhapatnam. April-September 2025.

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Lepak & Snell, 1999

