BSB60915 - ADVANCED DIPLOMA OF MANAGEMENT (HUMAN RESOURCES)
Study Support materials for

BSBHRM602 – Manage Human Resources Strategic Planning

STUDENT HANDOUT

This unit describes the performance outcomes, skills and knowledge required to develop, implement and maintain a strategic approach to managing human resources in an organisation.

The unit is critical for any human resources manager and should be undertaken after a firm grounding has been established in a range of human resources activities.

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

This unit applies to human resources managers or policy and planning staff with specific responsibility for ensuring that the organisation has the structure and staff to meet current and foreseeable business and performance objectives. In most instances this role will be undertaken by someone from a large organisation and will support an established strategic or business plan.

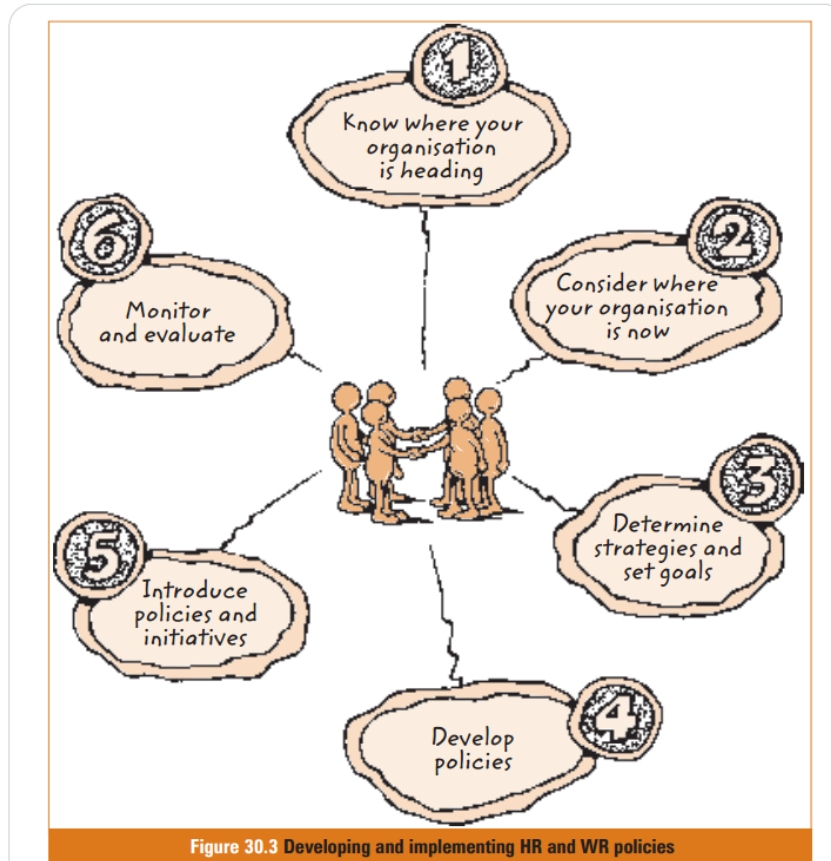| ELEMENT	PERFORMANCE CRITERIA
1. Research planning requirements	1.1. Analyse strategic plans to determine human resource strategic direction, objectives and targets 1.2. Undertake additional environmental analysis to identify *emerging practices and trends* that may impact on human resources management in the organisation 1.3. Identify *future labour needs*, skill requirements and *options for sourcing labour supply* 1.4. Consider new technology and its impact on job roles and job design 1.5. Review recent and potential changes to industrial and legal requirements
2. Develop human resources strategic plan	2.1. Consult relevant managers about their human resources preferences 2.2. Agree on human resources philosophies, values and policies with relevant managers 2.3. Develop *strategic objectives and targets for human resources* services 2.4. Examine *options for the provision of human resources services* and analyse costs and benefits 2.5. Identify appropriate technology and systems to support agreed human resources programs and practices 2.6. Write strategic *human resources plan* and obtain senior management support for the plan 2.7. Develop risk management plans to support the strategic human resources plan
3. Implement human resources strategic plan	3.1. Work with others to see that the plan is implemented 3.2. Monitor and review the plan 3.3. Adapt plan should circumstances change 3.4. Evaluate and review performance against plan objectives

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Emerging practices and trends may include:	• ageing workforce • changes in consumer patterns or community expectations • economic trends • labour market trends • multi-generational teams • new products or services • new technologies • political or legislative changes • qualification or educational changes • working internationally.

Future labour needs may include:	• labour required to achieve organisation's strategic objectives, for example:
	  • competency
	  • number
	  • quality
	  • type.

Options for sourcing labour supply refer to:	• employing a range of recruitment options • hiring casual labour • hiring new graduates or trainees • employing off-shore workers • outsourcing • using contractors or consultants.
Strategic objectives and targets for human resources may refer to:	• equal employment opportunity and diversity • human resources information systems • induction • industrial relations • job analysis and design • OHS • performance management • professional development • recruitment and selection • remuneration • staff retention and succession planning.
Options for the provision of human resources services may include:	• external provision by a consultant or contractor • having the work performed elsewhere (outsourcing) • internal human resources provision of the service • internal non-human resources provision of the service • merging of business units.
Human resources plan includes:	• budget • priorities • objectives • timeframes.

Our study will cover the 3 main elements.

1. Research planning requirements
2. Develop human resources strategic plan
3. Implement human resources strategic plan

Figure 30.3 Developing and implementing HR and WR policies

1. Research planning requirements

HCM: Human Capital Management is the alignment of the right people, in the right place at the right time to strategically achieve company objectives.

Plans are projected courses of actions aimed at achieving future goals. They provide clear objectives and map the activities needed to reach them efficiently and effectively.   Plans may be long-term, like the strategic plans that guide entire organisations or they may be the shorter operational plans. Think of the strategic plans as the wheels that steer the entire organisation in a chosen direction and operational plans as the rudders that guide it and fine-tune its direction.

Planning provides the groundwork for the future and gives you a way of tracking performance and assessing achievements. It helps eliminate duplication of effort and meet schedules more easily. It helps you direct people's efforts and skills effectively, coordinate employees and their jobs and minimise disruptions and expenses.
Most plans affect people – how people are deployed, the actual jobs or tasks they carry out, the skills they need, even their working relationships.

What's the difference between strategic and operational plans and policies?

The strategic plan is developed for long-term planning and covers a period of about five years. The strategic plan specifies the missions and goals of the organisation including decisions on how resources, both capital and human, will be allocated to meet organisational goals.

An operational plan focuses on the short-term objectives: what needs to be accomplished in the near future in order that the company can progress towards achieving its strategic objectives. Operational plans generally have a focus of less than one year and are quite detailed in terms of what needs to be implemented and how.

Operational plans should be formally signed off by people with the delegated authority.

It is at this stage, the finalised plan effectively becomes a policy. Signed copies should be kept on file as a formal record and provided to the appropriate parties responsible for implementing the plan.

Here are some staffing issues to consider:

- Do you need any special expertise to help you implement the plan? If so, should you use internal or external people? If external, should you use contractors or consultants?
- Do you need more or fewer people?
- Do your current team members need any training?
- If you need more staff, should they be temporary or permanent?
- Should you adjust the mix of permanent, full-time, part-time, temporary, contract, casual, home-based and onsite staff in your team?
- Should you reallocate or redistribute duties to implement the plan more readily?
- Should you work towards multiskilling, cross-skilling or upskilling?

2. Develop Human Resources Strategic Plans

Human Resource policies are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning.

Each company has a different set of circumstances, and so develops an individual set of human resource policies.

Developing the HR Policies

HR policies allow an organization to be clear with employees on:

- The nature of the organization
- What they should expect from the organization
- What the organization expects of them.
- How policies and procedures work.
- What is acceptable and unacceptable behavior.
- The consequences of unacceptable behavior

HR policies provide an organization with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies must be framed in a manner that the companies vision & the human resource helping the company to achieve it or

work towards it are at all levels benefited and at the same time not deviated from their main objective.

Purposes

The establishment of policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance. For example, in order to dismiss an employee in accordance with employment law requirements, amongst other considerations, it will normally be necessary to meet provisions within employment contracts and collective bargaining agreements. The establishment of an HR Policy which sets out obligations, standards of behavior and document disciplinary procedures, is now the standard approach to meeting these obligations.

HR policies can also be very effective at supporting and building the desired organizational culture. For example recruitment and retention policies might outline the way the organization values a flexible workforce, compensation policies might support this by offering a 48/52 pay option where employees can take an extra four weeks holidays per year and receive less pay across the year.

Source: Wikipedia, the free encyclopedia

3. Implement human resources strategic plan

When a policy or policy change is approved, update the policy manual or the organisation's intranet policy section. Draw it to the attention of employees and managers; for example, by putting it as an action item on the intranet and assisting frontline managers to draw it to the attention of their staff.

Strategic planning implementation is at the heart of how to make change of any kind happen in your organization. Start by answering why your organization might want to embark on a strategic planning process and implementation. Want to be one of the organizations, in which employees understand the mission and goals? They enjoy a 29 percent greater return than other firms. This seems like a good reason to start strategic planning implementation to me. How about you?

Keys to Strategic Planning Implementation Success

These are the keys to effective strategic planning implementation for your business.
- Full and active executive support,
- Effective communication,
- Employee involvement,
- Thorough organizational planning and competitive analysis, and
- Widespread perceived need for the strategic planning.

If you are implementing your strategic planning in an organizational environment that is already employee-oriented, with a high level of trust, you start the strategic planning implementation with a huge plus. An additional plus is an organization that already thinks strategically.

Unfortunately, the implementation of strategic planning most frequently occurs as an organization moves from being traditionally reactionary to strategic. So, often, learning to think strategically is part of the strategic planning implementation learning curve.

Full and Active Executive Support for Successful Strategic Planning

Successful strategic planning implementation requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organization. Executives must lead, support, follow-up, and live the results of the strategic planning implementation process. Or, the strategic planning implementation process will fail. It's as simple as that.

Without the full commitment of the organization's senior executives, don't even start strategic planning. Participants will feel fooled and misled. A vision statement and a mission statement, along with this year's goals, filed, unimplemented in a cabinet or computer, is a serious source of negativity and poor employee morale.

Senior leaders can do the following to create a successful strategic planning implementation process.
- Establish a clear vision for the strategic planning implementation process. Paint a picture of where the organization will end up and the anticipated outcomes. Make certain the picture is one of reality and not what people "wish" would occur. Make sure key employees know "why" the organization is changing.

- Appoint an executive champion or leader who "owns" the strategic planning implementation process and makes certain other senior managers, as well as other appropriate people in the organization, are involved.

http://humanresources.about.com/od/strategicplanning1/a/implement_plan.htm

CHECKLIST FOR STRATEGY IMPLEMENTATION SUCCESS

Putting together all of the pieces, here is a final set of guidelines to HR professionals aiming to crack down on transforming strategy ideas into actuality.

1. Look at the big-picture business problems, not just HR bustle.
   Be down-to-earth and talk to people about what's really going on. Ask a line executive what problems are weighing on him – chances are good he'll launch into a spiel on customer response time, bottlenecks, production costs, waste, sales slumps, and the like, not the cost of new hires or lack of corporate values. Don't worry too much about what strategic problems HR professionals should "bother with" getting involved in, whether they're "HR-type" priority or not. The important thing is that HR is helping the organization to make changes, and any point that falls in line with the strategy is worth HR's time.

2. Gauge HR in terms of business results.
   HR often deals with the difficult-to-quantify, yes – but it's worthwhile to encourage HR to be more market-driven. HR will be more successful in earning respect within the company of it can contribute what the line executives need, want, and will appreciate.

3. Buddy up with the top line executives.
   A good partnership includes two parties which are working to achieve a common goal. HR and the executive line should both be open to receiving feedback with regards to how they are helping one another accomplish the strategy objectives. This sort of relationship operates far more effectively than the unfortunate habit of HR simply dictating coldly to the line functions what the problems are and what "must be done" to solve them.

4. Be obstinate in building alliances.
   Job four is pivotal – there must be inter-departmental collaboration and change in order for strategy implementation to succeed. The different business processes, so accustomed to their separate and competitive ways, may very will dig their heels in and resist the building of cross-system relationships, but HR professionals should stick to their guns and manhandle the company into cooperation.

5. Get savvy about business change.

   HR professionals should be exactly that – professional. They, more than anyone else, should know their stuff when it comes to what's going on in and around the business. Nothing is more valuable than a thorough understanding of how HR must operate. This article itself is a mere sampler of what HR is responsible for knowing.

6. Branch out for support.
   Don't shy away from hiring outside partners in order to help HR compile and carry out a method of tying in organization to strategy. "Hiring out" is not a sign of weakness or incompetence – on the contrary, it shows business maturity in seeking diversity and

creativity in order to solve problems. Oftentimes HR is too far buried within its own issues to see clearly, and an outside perspective can offer a crisp new form of insight.

The purpose of this article has been to illustrate the need for HR to take really action in not only conceiving but in actually implementing strategy, and to offer a generalized guide which will hopefully help HR professionals to do so. HR professionals can and should be an extraordinarily valuable asset to every organization, and when working to the full extent of their capabilities, they are more than qualified to set the wheels of legitimate strategy implementation in motion.

http://www.comparehris.com/human-resources-strategy-implementation/

Human resources planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resources planning should serve as a link between human resources management and the overall strategic plan of an organization. Aging worker populations in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective Human Resources Planning.

As defined by Bulla and Scott, human resource planning is 'the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements'.[1] Reilly defined workforce planning as: 'A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand.'[2] Human resource planning includes creating an employer brand, retention strategy, absence management strategy, flexibility strategy, talent management strategy, recruitment and selection strategy.

The planning processes of most best practice organizations not only define what will be accomplished within a given time-frame, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.)

Competency-bases management supports the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps.

These strategies and programs are monitored and evaluated on a regular basis to ensure that they are moving the organizations in the desired direction, including closing employee competency gaps, and corrections are made as needed. This Strategic HR Planning and evaluation cycle is depicted in the diagram below

Process implementation stages

The following implementation stages are suggested for mid to large organizations.

Stage 1

- Identify the infrastructure and system requirements to support full implementation (e.g., Human Resources Information Management System; other on-line software tools needed to support various CBM applications).
- Develop the competency profiles.
- Implement the competency profiles in a staged-way to demonstrate benefits and create buy-in (e.g., as soon as profiles for a group are developed, implement quickly within a low-risk high-benefit planned application for the group).
- Communicate success stories as competency profiles are implemented.
- Good for organization.

Stage 2

- Develop, revise/update competency profiles to meet changing demands.
- Monitor and evaluate applications to ensure that they are meeting organizational needs, and adjust programs/plans, as needed, to meet evolving needs

Strategy Implementation

From a big-picture perspective, there are four vital tasks that all businesses must accomplish. These four jobs, when properly fulfilled, add up to the bare-bones work of strategy implementation, and they are:

1. Helping employees to understand the strategy.

Not only must employees understand the strategic direction itself, they must also comprehend the reason for the strategy, as well as the driving forces behind it. Employees are the cogs around which the gears of business turn. If the employees don't understand where the strategy is headed, they will be incapable of realizing their full potential in aiding the strategy implementation.

2. Augmenting employee commitment to the strategy.

Changes in strategy mean changes for people on an individual level, and individual change tends to mean frustration, disappointment, and challenge. If an employee is going to put in any extra effort towards propelling a conceived strategy to fruition, he must genuinely be given to believe that, in the long run, the end product will be worth the difficult sacrifices made in order to implement the strategy.

3. Streamlining local effort with the strategy.

Though invariably all employees must be on board for understanding and committing to the strategy, this in and of itself is not enough. Implementing a strategy means legitimately changing work production. In order to achieve the business strategy, all off-strategy work must terminate and all on-strategy work must proceed with renewed urgency and dedication.

4. Inducing cross-system cooperation.

The final and most important step in strategy implementation is that of realigning departmental relationships within the system. Implementing strategy means carving deeper relationships between inter-dependent organizational units, such as sales and manufacturing, or customer service and distribution. This last job is as challenging as it is critical, because it demands that employees within discrete work units learn to share and interact across the traditional boundaries of their job descriptions.

This system of change as organized into four jobs is rather unique among most designs for strategic HR. Where many plans focus in on how HR can appeal to, motivate, and enrich the contribution of the individual, the Four Jobs system recognizes the work that must be done on all three tiers of organization, from the individual to the work unit to the department as a whole. Implementation of strategy is an all-encompassing procedure, demanding change at all levels of the business's social system.

Naturally, strategy implementation doesn't always quite follow the nice linear path laid out above. The first two jobs, however, do remain distinctly foundational, and without their proper groundwork of understanding, jobs three and four are mind-boggling to approach. Jobs one and two, meanwhile, are certainly inter-related. When employees are lead to fully understand the nature and logic of the business strategy, they will feel entirely more compelled to work towards achieving it – particularly when they can see what they stand to gain from the change.

All this talk of strategy, of course, is worthless if it doesn't at some point translate over into action. Therein lies the purpose of job three. Regardless of employee understanding and enthusiasm, if there's no change in work at the local level, the strategy will never achieve full implementation. Changing work means not only altering the actual processes of local work units, but also improving the ways in which they go about completing their tasks. This is not simply a job for management – the workers themselves must affirmatively be included in the process of formulating solutions. Working employees enjoy a firsthand insight which upper-level management simply does not have the ability to possess.

Fulfilling a company-wide strategy requires that change be made not only within individual departments, but also in the ways in which those departments interact with one another. Job four focuses on adjusting the relationships between different business processes, improving how they work together and accomplish their aims. The implementation of a new strategy almost always demands such cross-system changes, but rarely do organizations actually take steps to make these shifts. Granted, it's pretty hard work.

Develop Strategies, Goals and Action Plans

In a strategic business framework for organizational planning and success, your strategies, goals, and action plans intertwine and build upon each other to create the appropriate steps to accomplish your mission and vision and live your values.

Organizations need strategies, goals, and action plans to cascade the mission through the organization and engage the talents of all employees.

What Are Strategies?

Strategies are the broadly defined four or five key approaches the organization will use to accomplish its mission and drive toward the vision. Goals and action plans usually flow from each strategy. One example of a strategy is employee empowerment and teams. Another is to pursue a new worldwide market in Asia. Another is to streamline your current distribution system using lean management principles.

A university Human Resources Development department established several broad strategies for growth. These included becoming the training and education resource of choice for all employees by offering one-stop access to any and all existing education and training resources. Additionally, they determined key strategies for expanding their funding base and moving courses online for customer convenience.

Another Human Resources department devised strategies to develop a superior workforce. These included eliminating poor performers; hiring from several choices of excellent candidates, not just "settling" on a candidate; developing succession planning; and increasing training and cross-training opportunities.

Develop Goals and Action Plans

After you have developed the key strategies, turn your attention to developing several goals that will enable you to accomplish each of your strategies. Goals should reach beyond the terms in the traditional SMART acronym: specific, measurable, achievable, realistic and time-based. Take a look at a more modern translation of SMART goals.

In the example above, the HRAGD group might consider setting one goal to hold a monthly chapter meeting. Another goal that supports the carrying out of their strategies is to schedule a relevant seminar quarterly. Another goal might include holding informal dinners and cocktail hours to support voluntary member exchange.

Once you have enabled strategy accomplishment through setting goals, you will want to develop action plans to accomplish each goal. Continuing with HRAGD as the example, to offer a quarterly seminar, you will need to follow an action plan:

- Establish a cross section of professionals as a committee and meet to plan the sessions.
- Determine budget.
- Perform HRAGD member needs assessment.
- Select topics based on member needs assessment.
- Locate exceptional speakers.
- Pick speaker and negotiate workshop length, pay, topic and objectives.
- Determine location and schedule the seminar.
- Plan advertising strategies, and so forth.

Make action plans as detailed as you need them to be and integrate the individual steps into your planning system. An effective planning system, whether it uses a software program, a paper and pen system, an Apple iPad, or any other choice that works for you, will keep your goals and action plans on track and on target.

Key Terms

Authority The right to make particular decisions and to exercise control over resources

Automation The use of control systems (such as numerical control) and information technologies (such as CAD, CAM and robotics) reducing the need for or enhancing human intervention and leading to enhanced productivity

Autonomous Work Groups A work team with delegated responsibility for a defined part of an organization's activities with the freedom to organize its own resources,

Cost Centre A unit which serves other parts of the organization (e.g. HR, IT, Accounts, etc.) and which is allocated a budget based on the costs of operating the service at an agreed level; Cost centres account for related expenses – they add to the cost of an organization, but only indirectly add to its profit

Cross Cultural Competence An individual's effectiveness in drawing on a set of knowledge, skills and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad Cultural Artefacts Phenomena accessible to the senses, including architecture, myths, rituals, logos, type of personnel employed and so on, which signify the values in an organization's culture

Cultural Distance Cultural distance aims to capture the overall difference in national culture between the home country and affiliates overseas. As the cultural distance increases, the difficulties facing business processes overseas also increase

Culture Shared ways of thinking and behaving (Uniformity) Culture Shock Psychological process affecting people living and working abroad that may affect their work performance

HR System A set of distinct activities, functions, policies and processes that are directed at attracting, developing, and maintaining the human resources of an organization
Human Relations Approach A school of management thought which emphasizes the importance of social processes at work (emphasizes the informal organization)

Human Resource Management A philosophy of people management based on the belief that human resources are uniquely important to sustained business success. An organization gains competitive advantage by using its people

effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. HRM is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies.

Human Resource Planning (HRP) A process which anticipates and maps out the consequences of business strategy on an organization's human resource requirements. This is reflected in planning of skill and competence needs as well as total headcounts

Human Resource Strategy Overall plan for staffing, developing and rewarding employees and outsourced human resources tied to business objectives

Hygiene Factors Aspects of work which remove dissatisfaction but do not contribute to motivation and performance, including pay, company policy, supervision, status, security and working conditions are known as hygiene or context factors

Goal Theory A theory of motivation that is based on the premise that people's goals or intentions play an important part in determining behaviour

Goals guide people's responses and actions and direct work behaviour and performance, leading to certain consequences or feedback

Hierarchy of Needs A theory of motivation developed by Maslow which states that people's behaviour is determined by their desire to satisfy a progression of physiological, social and psychological needs

Job Satisfaction An attitude or internal state which is associated with the working environment and working experiences. In recent years it has been closely associated with improved job design

Mission Statement A mission statement is a statement of the overriding direction and purpose of an organization

Motivating Activating the driving force within individuals by which they attempt to achieve some organizational goal

Motivation A driving force that encourages an individual to behave in particular ways as they seek to achieve a goal

Need for Achievement (NACH) A general concern with meeting standards of excellence, the desire to be successful in competition and the motivation to excel

Need for Power (NPOW) The desire to make an impact on others, change people or events and make a difference in life

Process Theories of Motivation These theories look at motivation as the outcome of a dynamic interaction between the person and their experiences of an organization and its management. Such processes depend critically on the sense individuals make of their experiences at work

Rational–Economic Concept of Motivation Motivational theory suggesting employees are motivated by their economic needs

Recruitment Locating, identifying and attracting capable Applicants

Scientific Management A school of classical management theory, dating from the early twentieth century, based on the application of work study techniques to the design and organization of work in order to maximize output – increased productivity (to find the 'one best way' of performing each task); it is a form of job design theory and practice which stresses short, repetitive work cycles; detailed, prescribed task sequences; a separation of task conception from task execution; and motivation based on economic rewards (see also Taylorism, after Frederick Taylor who was influential in founding its principles)

Social Identity Part of the self-concept which comes from our membership of groups

Social Perception The process of interpreting information about another person

Socio-Technical System A sub-division of the systems approach which is concerned with the interactions between the psychological and social factors, and the needs and demands of the human part of organization and its structural and technological requirements

Visioning Mental process in which images of the desired future (goals, objectives, outcomes) are made explicit motivators for action

Work–Life Balance Allocation of time and commitment between work and personal life, which reflects the personal needs of the employee