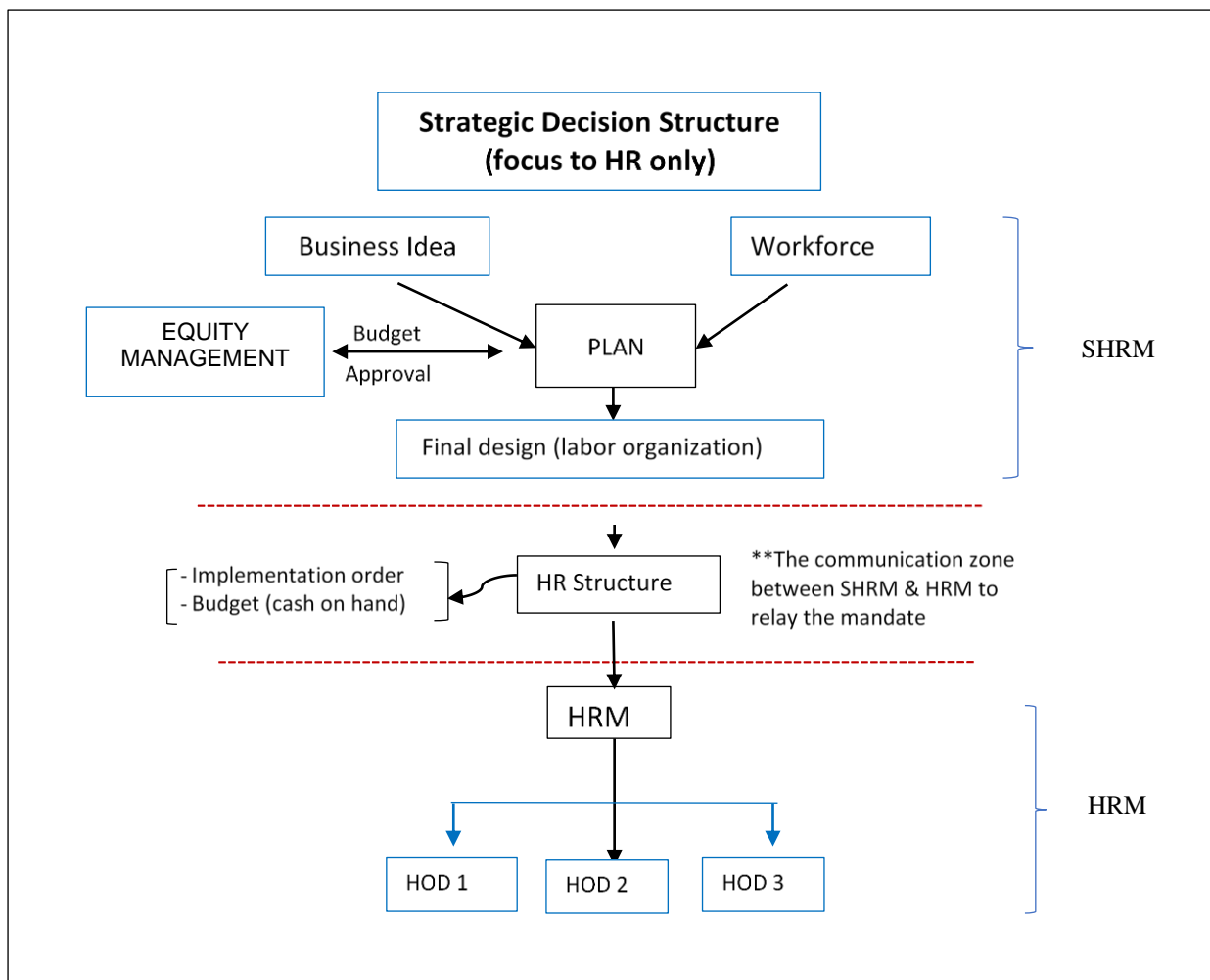Nornatasha Binti Ahmad
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STRATEGIC HUMAN RESOURCE MANAGEMENT
in relationship with
HUMAN RESOURCE MANAGEMENT

Above diagram shows parameters of Strategic Human Resource Management (SHRM) and Human Resource Management (HRM) in a Strategic Decision Structure of a company, without showing other competencies presented at strategic level.

1. What is Strategic Human Resource Management (SHRM)?

The Strategic Human Resource Management (SHRM) is an executive/top management function which act like an architect/brain/designer of the drawing of the to the business goals attached labor organization. It is functioning at executive level, reporting to the CFO, following pre-set ambitions and requirements of companies its stakeholders. It touches mainly the structure of the human resource organization, it should understand influences on performances from external situations and circumstances and how to respond, it scopes from analyzing, calculating expected performances toward appearing risks, budgeting, developing of people management at the long run and **setting implementing orders to the operational management (1).** It is including vast items such as policy, budget, program, and practice of a company that align with business idea to achieve company objective based on company´s mission and vision in the long run.

Its purpose is to create a good/healthy working culture and improve business performances so that it could promote/encourage innovation and keep on striving to gain competitive advantage in a market.

SHRM is the connection between a company´s human resources and its strategies, objective, and goals. The aim of SHRM is to make sure that each single dollar spent will bring yield in net returned on investments, within the projection of 1+1=3 rules in people management. And, to make sure that the (qualified) labor do their part in striving for a positive Net Present Value (NPV) as per the expectation of shareholder in the long run.

For SHRM to be effective, it must play a vital role as a strategic partner when company policies are created and implemented.

2. What is Human Resource Management (HRM)?

HRM is reporting to the CFO/SHRM and is best positioned at the management level at the same horizontal position as other department managers. For reasons to anticipate promptly to hinder or change in circumstances, affecting the entire operation or the labor organization, by data and information sharing, by analyzing and finetuning for example.

HRM often delegate key elements such as recruitment, education, and admin to specific chosen heads of departments (HOD), keeping their focus on and control over those critical elements in daily practice.

Giving in the mentioned `**implementing orders to the operational management (1)**´, HRM is within this set framework and limitations, the people management process with the aim to maximize labor performance (efficient and productive). It is basically about keeping the ´house ‘in good condition, ´how to organize and how to delegate the tasks to internal and external competence holders, how to remain on course within the set budget space and how to reduce losses due to errors or illness for example.

Giving prompt and adequate feedback of performances to the executive level is needed to allow SHRM to anticipate and to steer the company its entire taskforces smoothly through dynamic (market) circumstances and for example, changes due to technology innovations.

3. Noted elementary differences as listed in the table hereafter.

STRUCTURE	SHRM	HRM
Level	Executive	Line manager
Reporting	CFO	CFO/SHRM
Abstract	Analyzing/designing organization and providing implementing orders	Implementing the order to create and manage the organization
Scope	Equity Management towards business goals	SHRM its implementation order
Preferences **(2)**	Includes influencers based on broader research and analyzes	Includes influencers based on workers their local traditional and cultural behaviors.
Responsibilities	Analytical	Operational budget holder
Time horizon	Long term	Short term
Parameter	Macro	Micro

3.1 The dilemma (2)

3.1.1 Sensitivities

`Tell me who your friends are, and I will tell you who you are´ is a saying which touch the controversies in Human Resource Management. The ´best friends´ of SHRM, among others to the daily environment are stakeholders, business ideas, surfing around the globe to find potentials and or risks and to get good understanding of the future of companies its environment and eventual changes to the human resource organization needed. Such manager is at risk of defining people for its purpose and applies influencing circumstances as a plus or minus to the related expected results.

´What you eat is what you will become 'is a saying which touch the controversies in Human Resource Management too. The best friends of HRM, among others is the taskforce, daily contributing to the companies its business goals. Such manager is at risk of being ´emotional bribed´ and guided in vesting the company in the roots of local traditional and cultural behaviors.

Both ´sayings´ are touching preferences (2) as shown in the table above, are touching the definition and its applying in daily routine and are hinting at a potential conflict, eventually leading into stagnation or obstruction of the primary process of the company.

To explain on the hand of one sensitive example ´Islam in daily practice´. From a global mindset, based on research, comparison, analyzing and applying to companies' business policies, a liberal approach of Islam is to be expected. From a local mindset, liberal Islam do affect the doctrine, its customs and justification of ´good and bad 'behaviors and will resist influences from the applied ´liberal' Islamic approach. In short notice, preferences are changing with dominating factors, such as ´what is your active environment and what dominate the information´.

In the modern times of age, we are living in. Next to the logic of a plan, next to the need to find competences for the right pricing, next to a good command structure, foremost is important to check with for example holistic approaches if the company's ambition is not infringing the personal emotional space of each single (local) worker.

And in this holistic defending of personal spaces, a litmus test ground for the human resource management structure can be found. Potential conflicts between one and the other HRM just because they get confronted with different realities, can be eased before implementing controversial policies. A joined mission of both managers.

I wish this contribution to the discussion is helpful, thanks for reading.

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