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**Abstract**

*The successful organizations will be those that are able to quickly turn strategy into action; to manage processes intelligently and efficiently; to maximize employee contribution and commitment; and to create the conditions for seamless change.*

*Organizations are increasingly looking at human resources as a unique asset that can provide sustained competitive advantage. The changes in the business environment with increasing globalization, changing demographics of the workforce, increased focus on profitability through growth, technological changes, intellectual capital and the never ending changes that organizations are undergoing have led to increased importance of managing human resources.*

*Increased integration between human resource management and business strategy is one of the most important demands that are placed upon modern strategic human resource management.*

*This paper discusses on the five challenges given by Dave Ulrich with reference to the Indian business context for a HR professional to work as a strategic partner and the steps to overcome these challenges.*

**Introduction**

**Purpose**

The successful organizations will be those that are able to quickly turn strategy into action; to manage processes intelligently and efficiently; to maximize employee contribution and commitment; and to create the conditions for seamless change. (Dave Ulrich)

Organizations are increasingly looking at human resources as a unique asset that can provide sustained competitive advantage. The changes in the business environment with increasing globalization, changing demographics of the workforce, increased focus on profitability through growth, technological changes, intellectual capital and the never ending changes that organizations are undergoing have led to increased importance of managing human resources.

**Research Implications**

Increased integration between human resource management and business strategy is one of the most important demands that are placed upon modern strategic human resource management. In a fast changing, globally competitive and quality oriented business environment, human resources provide the competitive edge. The strategic HR role focuses on aligning HR strategies with the business strategy. The idea that an organization's people represent a key strategic resource is widely accepted. Today, strategists increasingly depend on strengthening organizational responsiveness and on building committed work teams.

The most striking change in the role of human resource and its growing importance in developing and implementing strategy. Human resource has the

**Keywords**

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potential to build organizational capabilities such as ability to innovate, improve customer relationships, and move swiftly to market, which will lead to sustainable value. But in order to do so HR has to embark on a journey of self-invention.

A HR professional works to be a strategic partner helping to ensure success of business strategies. HR professionals have to play a key role in building organization's capabilities to adapt to the face of ongoing change.

The highly dynamic work environment poses continuous challenges for HR professionals right from recruiting the right people to imbibing organizational culture. HR has to thus upgrade its activities with the demanding market requirements. The emergence of innovative recruitment policies has generated job opportunities for various segments of people. Employees not only look for only financial security but also the work-life balance, social security, recognitions and so on. This poses complex challenges for HR professionals in handling all the aspects of an employee.

## PRACTICAL IMPLICATIONS

### Challenges of Becoming a Strategic Partner

HR professional plays the role of a strategic partner to turn strategy into action. The process begins with recognizing the challenges of becoming a strategic partner. A HR professional must learn to perform organizational audits in order to overcome these challenges. This paper discusses on the five challenges given by Dave Ulrich with reference to the Indian context for a HR professional to work as a strategic partner and also the steps to overcome these challenges.

#### Challenge – 1

Avoid Strategic plans on Top Shelf (SPOTS) – Most strategies are written than accomplished and most visions and missions are stated than accomplished. Therefore, a mechanism for translating strategies into action is necessary. Often, strategic planning made by the top level management is not done in consultation with team members. Team members review customer expectation, business trends technological innovations and core competencies. They draft statements about aspirations, visions and missions but they fail to acknowledge and involve all organizational processes required for their accomplishment.

Thus, strategic partner means turning strategic statement into a set of organizational actions. Overcoming the challenge of SPOTS requires that HR professional force organizational issues into strategic discussion before strategic are decided .

#### Challenge – 2

Create a Balance Scorecard - A balance scorecard translates an organisation's mission and strategy into a comprehensive set of performance measures and provides the framework for strategic measurement and management system. The Scorecard is dynamic and should reflect the specific needs of a organization at a

point of time. Many organizations may have different scorecards depending upon needs and priorities.

It focuses on serving multiple stakeholders (investors, customers and employees) and can be a total performance index in accessing executive performance. If HR executives are to be strategic partners, they need to absorb and apply the concept of balance score carding two ways. First, they need to be equally accountable for all segments of balance scorecard and not only the employee dimension. Second, although accountable for three dimension of the balance scorecard, HR professionals should provide intellectual leadership on employee dimension. The easy way to measure employee as a stakeholder is to create a commitment or satisfaction index. The best HR professionals define employee dimension of the balance scorecard not only in terms of employee attitude but also in terms of processes, which represents activities that effect employee attitude like leadership, teamwork, communication, empowerment and so on. This helps in measuring process as well as employee attitude and thus HR professionals fully define employee dimension of balance scorecard.

#### Challenge – 3

Align HR plans to business plans – HR planning is critical to the effective development of strategy since it should identify gaps and surpluses capabilities and as well as issues of utilization of talent. An enhanced role of HR planning in overall strategic planning is required in the identification of organizational capability. The role of HR is to facilitate the development of a organizational strategy developed by line managers. The key role of strategic HRM function is to facilitate organization and people strategy together with line management of strategic programs.

The challenge of HR planning is to integrate HR practices into the business strategy. In this line, HR planning is becoming an integral part of business planning process. HR professionals work with line managers to identify HR practices that accomplish business strategy. The outcome of integrated business/ HR plan is a framework for incorporating HR practices into business decision to ensure results.

#### Challenge – 4

Watch out for quick fixes - HR professionals need to avoid the entice of quick fix. To encourage this two concept benchmarking and frou-frou are used.

Benchmarking – Benchmarking is the comparisons of aspects of one organization's practice with those of another organization. It is the ongoing process of measuring product, services and operating practice against competitors for continuous improvement. It is often aimed at comparing product quality so that improvement into one's own processes can be identified and implemented. They are compared to find out organization's processes in relation to other firms in terms of speed, efficiency, quality, cost saving and so on. Benchmarking audit can provide insights into good practices for HR and line managers. It is based on finding

out what the organization does, who are their customers and what is the corporate strategy. Benchmarking HR services allows to identify HR provision in relation to the needs of the business.

Frou-frou – Dave Ulrich and Bob Eichinger have coined the term frou-frou to describe popular HR trends that do not add long term value. Some of the list of attributes of HR practices that qualify frou-frou are

- It is simple and claims to solve complex problems.
- It claims to apply to everyone.
- It is not related to any generally accepted theory it is too good to be true.
- Its proponents claim that it has changed their lives and it can change yours, too
- They cannot tell how exactly it works.
- They are those with least experience in the field.

HR professional as strategic partners must thus understand theory and application of ideas in order to apply them in business and frou-frou.

#### Challenge – 5

Create a capability focus within the firm - Capability refers to what a firm is able to do or needs to do in order to accomplish a strategy. Capabilities shape the way people think organizations. Capabilities represents what the organization known for, what it is good at doing, and how it patterns activities to deliver value. Capabilities define many of the intangibles that investors pay attention namely the firm brand customer can relate to and culture the shapes employee behavior. These capabilities become the identity of the firm, deliverables of HR practices, and the keys to implementing business strategy. Capabilities should be monitored by measuring and tracking them. Following is the list of capabilities present in well managed firms.

- Talent
- Speed
- Shared mind-set
- Accountability
- Collaboration
- Learning
- Leadership
- Customer connection
- Innovation
- Strategic unity
- Simplicity
- Social responsibility
- Risk
- Efficiency

In India, traditional business houses have been exposed to global competition since two decades. Most businesses have focused HR as an area for change. Aditya Birla has made a substantive intervention in the HR area towards increasing professionalism, transparency in performance management and market linked compensation. Tatas recognized early that HR initiatives were a powerful way to create value. For software companies like Infosys challenges of HR are relating to a new dimension of corporate strategy i.e mergers and acquisitions. Companies like Coca Cola have specialized groups, which focuses on integration. At Hewlett-Packard, strategic partners need to link business objectives with HR processes and programs. HR professionals at Engcon, Frontier, and Coopers & Lyband were asked to create organizations that accomplish strategies.

To function as strategic partners, HR professionals must fulfill the following tasks.

1. They must establish an organizational architecture and be able to use it to translate strategy into action - organizational architecture specifies the systems that constitute an organization. The ability to design, integrate and operate these systems is the essence of effective organizations. HR professionals must establish an architecture that defines their organisation's systems and processes. when HR professionals use organizational architecture it helps them in defining how the organization operates and sets a platform for effective organizational diagnosis.
2. They must learn to perform effective organizational diagnosis, which turns architecture into assessment. HR professionals functioning as strategic partners help systematically to turn strategy into organizational action. Organisational diagnosis must move from assessment to improvement by asking good questions and generating creative and apt alternative practices.
3. They should take the lead in creating best practices in competence, compensation, culture change, work process and leadership. Generating possible alternatives in these areas is the responsibility of a HR professionals. HR professionals work in providing leadership in generating a range of HR practices to be instituted.
4. They must be able to set priorities for initiatives and then follow through on them. The focus should be on critical issues. The criteria to evaluate which HR practice should be given greater importance is impact and implementability.

These tasks can be fulfilled through organizational diagnosis as line and HR managers collaborate to turn strategies into action.

#### Conclusion

The strategic HR role thus focuses on aligning HR strategies with the business strategy. A HR professional works to be a strategic partner helping to ensure success of business strategies. By fulfilling this role, HR

professionals increase the capacity of the business to execute the strategies. The deliverable from the management of strategic human resources is Strategy Execution. HR strategies help accomplish business objectives. HR executives need to master the skill of organizational diagnosis and align HR practices with business strategies. The metaphor for this role is the 'strategic partner'. HR professionals become strategic partners when they participate in the process of defining business strategy, when they ask questions that move the strategy into action and when they design HR practice that align with business strategy. As strategic partners, HR professionals must be able to identify the HR practices that make the strategies happen.

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