



TenStep Supplemental Paper

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HR Strategy to Achieve Business Excellence

Integrating HR strategy and strategic planning is fundamental to achieving business excellence.

The introduction of an effective HR strategy aligned to strategic business planning is thus a prerequisite to ensure that underlying power structures, procedures, practices, values and norms are in place. These factors help facilitate the necessary pace of change that can be sustained within the capacity of the business. There are many different ways of managing the improvement process, including a consultative approach through participation, intervention, education and communication, and the style adopted has much to do with the nature of the change proposed, its pace and its sustainability. The style of management and blend of skills play an enabling role in the development of strategies within companies.

Despite the search for better ways of doing business and the adoption of survival strategies (including business process re-engineering and total quality management (TQM)), some organizations continue to struggle to retain their competitive edge.

The long-term failure of companies who have reengineered or attempted TQM is often regarded as an implementation failure rather than a fundamental conceptual failure. Alternatively, there is the view that the long-term organizational stress that goes with a sustained improvement effort is too much for some organizations. As a result, more emphasis is placed on the quick fix solution and short-term financial gain.

The shift has been towards the knowledge economy, global trading, information management, and the employment of people for their creativity and knowledge. This has emphasized the importance of investment in employee development as the means of retention and reward rather than just pay, and a total realignment in mind-set about HRM, motivation, reward and development strategies.

Many companies do not have a strategic approach to HRM. Most identify current and future staffing needs by discussing training and development needs with the relevant individuals when necessary. Some companies rely on identifying needs based on existing staff profiles and loose projections for new business. Their ability to react to change is thus limited. Time spent on identifying needs at an organizational level would facilitate a more strategic view of requirements.

Harnessing intellectual capacity by truly involving all employees of the organization in the strategy formulation is critical to successful implementation.

The total quality approach calls into question all the traditional approaches to HRM and argues for a more proactive people-focused approach in which HR professionals adopt total quality to become strategic partners in improvement and business planning. The really successful companies have used TQM to put the specter of Taylorism behind them, recognizing that TQM could provide a holistic approach.



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To create business excellence with HRM processes that intrinsically add value, all organizations need to develop HR strategies to support the integration of business planning with business excellence. A holistic approach nurtures proactive incremental change. It also avoids the sudden traumatic change that so many organizations endure as a result of radical improvement programs and the inevitable stagnation that follows.