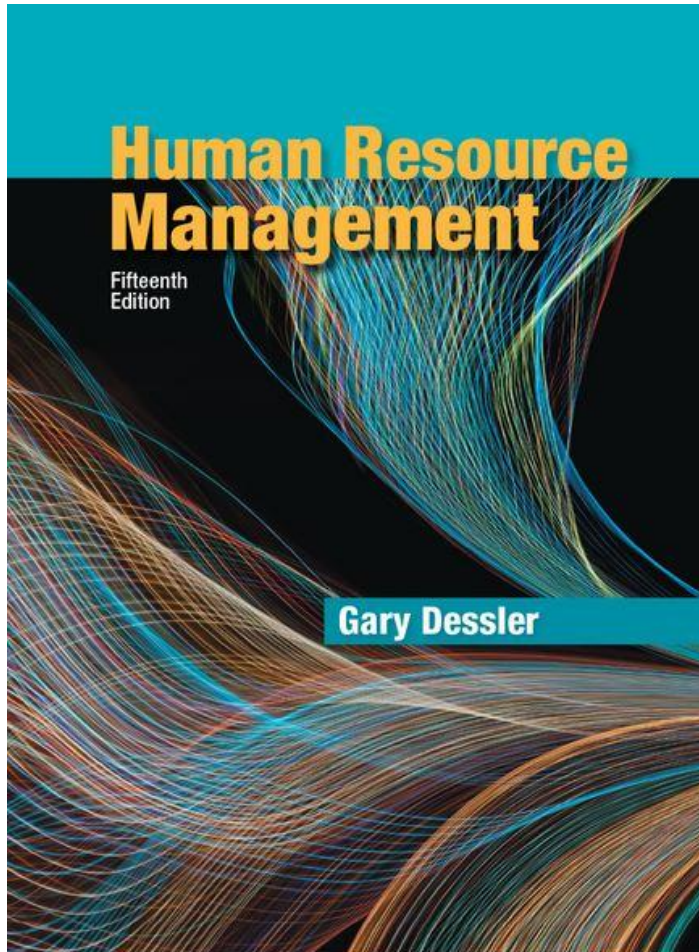


Human Resource Management

Fifteenth Edition



Chapter 3

Human Resource Management Strategy and Analysis

Learning Objectives (1 of 2)

- 3-1. Explain with examples each of the seven steps in the strategic management process.
- 3-2. List with examples the main types of strategies.



Learning Objectives (2 of 2)

- 3-3. Define **strategic human resource management** and give an example of strategic human resource management in practice.
- 3-4. Give at least five examples of HR metrics.
- 3-5. Give five examples of what employers can do to have high-performance systems.
- 3-6. Describe how you would execute a program to improve employee engagement.

I.

Explain with examples each of the seven steps in the strategic management process.

The Strategic Management Process (1 of 2)

The Management Planning Process

- The Hierarchy of Goals
- Policies and Procedures

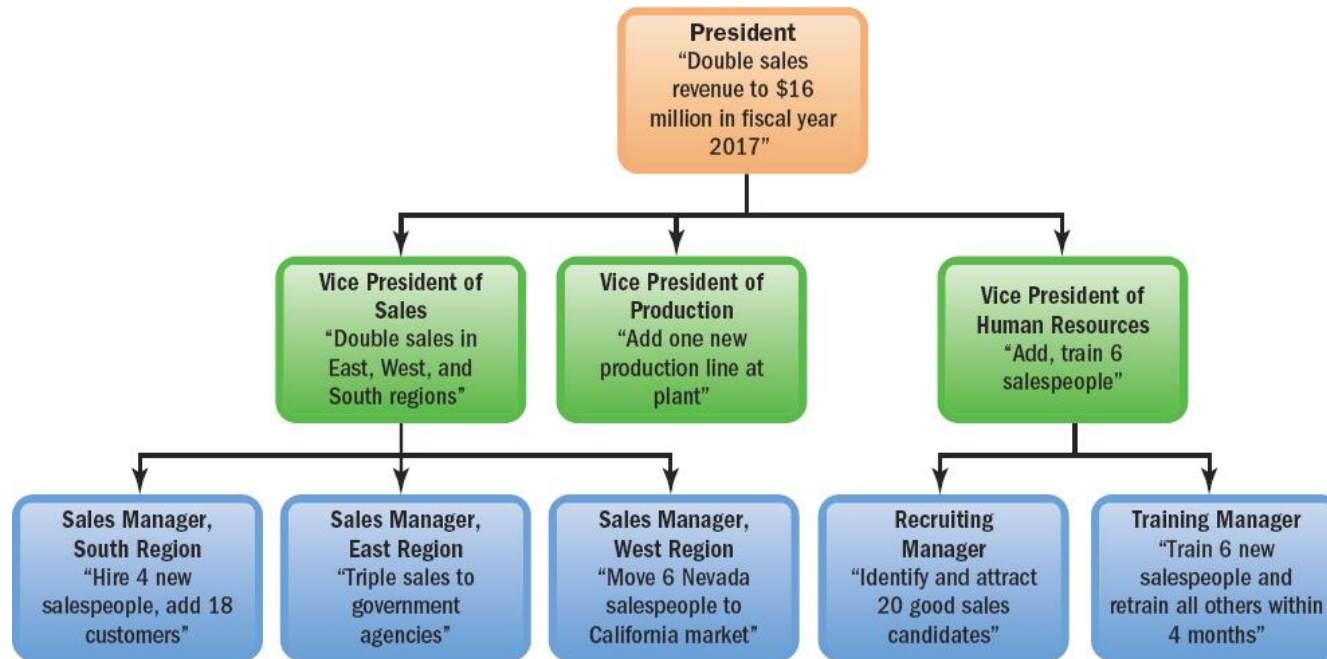


Figure 3-1 Sample Hierarchy of Goals Diagram for a Company

What is Strategic Planning?

The Strategic Management Process (2 of 2)

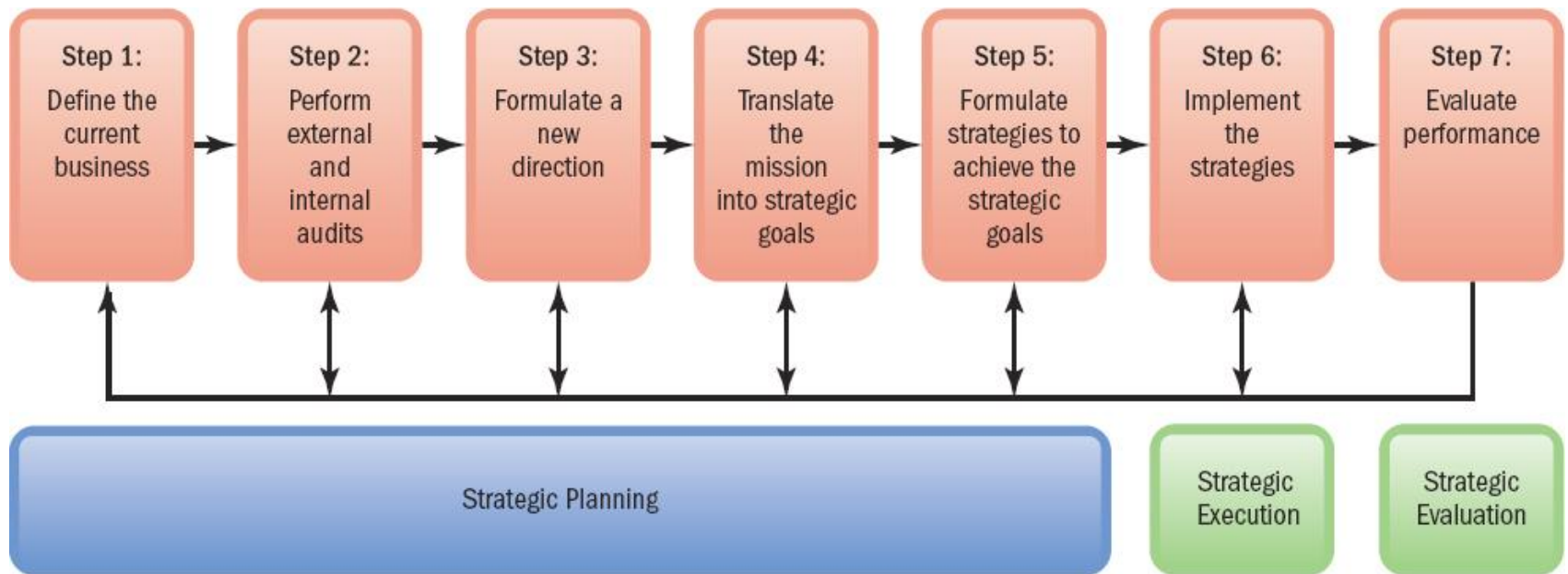


Figure 3-2 The Strategic Management Process

II.

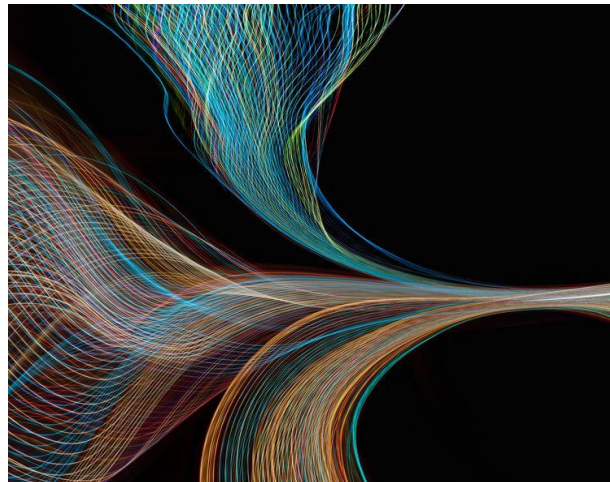
List with examples the main types of strategies.

Types of Strategies

1. Corporate Strategy
2. Competitive Strategy
3. Functional Strategy

Corporate Strategy

- Identifies the portfolio of businesses that, in total, comprise the company and how these businesses relate to each other

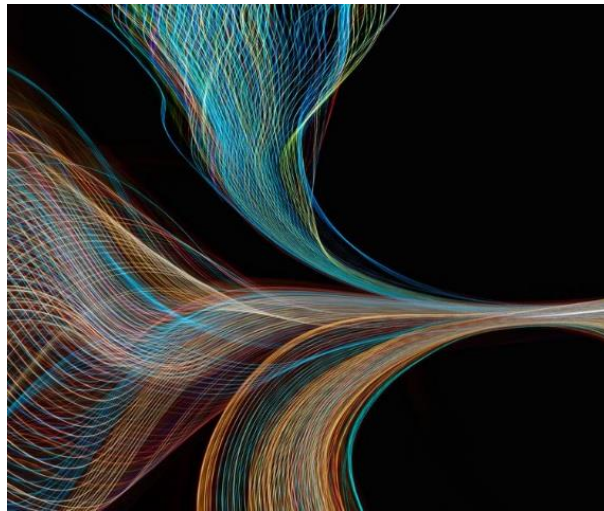


Corporate-level Strategies

1. Concentration
2. Diversification
3. Vertical Integration
4. Consolidation
5. Geographic expansion

Competitive Strategy

- A strategy that identifies how to build and strengthen the business's long-term competitive position in the marketplace, which is also known as business-level competitive strategy.



The Three Standard Competitive Strategies

1. Cost Leadership
2. Differentiation
3. Focus

Functional Strategy

- A strategy that identifies the broad activities that each department will pursue in order to help the business accomplish its competitive goals.



Manager's Role in Strategic Planning



III.

Define strategic human resource management and give an example of strategic human resource management in practice.

Strategic Human Resource Management

What is Strategic Human Resource Management?

Strategic human resource management – means formulating and executing human resource policies and practices that produce the employee competencies and behaviors the company needs to achieve its strategic aims.

IMPROVING PERFORMANCE: The Strategic Context

The Shanghai Ritz-Carlton Portman Hotel

Let's talk about it...

IMPROVING PERFORMANCE: HR As a Profit Center

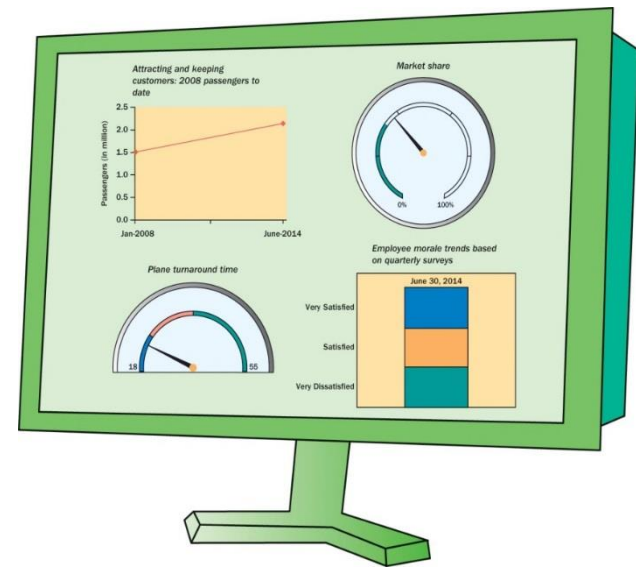
The Zappos “WOW” Way

Let's talk about it...

Sustainability and Strategic Human Resource Management

Strategic Human Resource Management Tools

- Strategy map
- The HR scorecard
- Digital dashboards



IV.

Give at least five examples of HR metrics.

HR Metrics, Benchmarking, and Data Analytics

IMPROVING PERFORMANCE Through HRIS: Tracking Applicant Metrics for Improved Talent Management

Let's talk about it

Benchmarking

Metrics for the SHRM® 2011–2012 Customized Human Capital Benchmarking Report (1 of 4)

Organizational Data

- Revenue
- Revenue per FTE
- Net Income Before Taxes
- Net Income Before Taxes per FTE
- Positions Included Within the Organization's Succession Plan

Employment Data

- Number of Positions Filled
- Time-to-Fill
- Cost-Per-Hire
- Employee Tenure
- Annual Overall Turnover Rate
- Annual Voluntary Turnover Rate
- Annual Involuntary Turnover Rate

Metrics for the SHRM® 2011–2012 Customized Human Capital Benchmarking Report (2 of 4)

HR Department Data

- Total HR Staff
- HR-to-Employee Ratio
- Percentage of HR Staff in Supervisory Roles
- Percentage of HR Staff in Professional/Technical Roles
- Percentage of HR Staff in Administrative Support Roles
- Reporting Structure for the Head of HR
- Types of HR Positions Organizations Expect to Hire in 2011

Expectations for Revenue and Organizational Hiring

- Percentage of Organizations Expecting Changes in Revenue in 2011 Compared to 2010
- Percentage of Organizations Expecting Changes in Hiring in 2011 Compared to 2010

Metrics for the SHRM® 2011–2012 Customized Human Capital Benchmarking Report (3 of 4)

HR Expense Data

- HR Expenses
- HR Expense to Operating Expense Ratio
- HR Expense to FTE Ratio

Compensation Data

- Annual Salary Increase
- Salaries as a Percentage of Operating Expense
- Target Bonus for Non-Executives
- Target Bonus for Executives

Metrics for More Profitable Organizations

- Total HR Staff
- HR-to-Employee Ratio
- HR Expenses
- HR Expense to Operating Expense Ratio
- HR Expense to FTE Ratio
- Annual Salary Increase
- Target Bonus for Non-Executives

Metrics for the SHRM® 2011–2012 Customized Human Capital Benchmarking Report (4 of 4)

Tuition/Education Data

- Maximum Reimbursement Allowed for Tuition/Education Expenses per Year
- Percentage of Employees Participating in Tuition/Education Reimbursement Programs

Metrics for More Profitable Organizations

- Target Bonus for Executives
- Maximum Reimbursement Allowed for Tuition/Education Expenses per year
- Percentage of Employees Participating in Tuition/Education Reimbursement Programs
- Time-to-Fill
- Cost-Per-Hire
- Annual Overall Turnover Rate

Strategy and Strategy-Based Metrics

What Are HR Audits?

Trends Shaping HR: Digital and Social Media

Data Analytics

Let's take a look...

Trends Shaping HR: Science In Talent Management

Evidence-Based HR and the Scientific Way of Doing Things

Let's talk about it...

V.

Give five examples of what employers can do to have high-performance systems.

High-Performance Work Systems (1 of 2)

High-Performance Work Systems (2 of 2)

- Policies and Practices
- HR measures
- Aspire to encourage employee involvement and self management

VI.

Describe how you would execute a program to improve employee engagement.

Employee Engagement Guide for Managers: Employee Engagement and Performance

The Employee Engagement Problem

What Can Managers Do to Improve Employee Engagement? (1 of 2)

1. Provide supportive supervision
2. Ensure employees understand how their departments contribute.
3. See how their efforts contribute to achieving the company's goal.

What Can Managers Do to Improve Employee Engagement? (2 of 2)

4. Ensure employees get a sense of accomplishment from working at the firm.
5. Ensure employees are highly involved.
6. Employers should hold managers responsible for employee engagement.

Chapter 3 Review

What you should now know....

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