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02 Strategic human resource development

THOMAS N GARAVAN and RONAN CARBERY

*In real life, strategy is actually very straightforward.
You pick a general direction and implement like hell.*

(JACK WELCH, 2005)

LEARNING OUTCOMES

When you have completed this chapter you should be able to:

- describe the defining features of SHRD;
- differentiate traditional notions of HRD from SHRD;
- understand the theoretical reasons for why SHRD can add value to the business;
- describe a number of theoretical and practical models of SHRD;
- describe factors that facilitate or enable SHRD in organizations;
- understand, through the use of case scenarios, how SHRD operates in practice.

Introduction

There is a growing recognition that well-chosen HRD practices can have a direct impact on individual and organizational performance. This finding is built on the notion that people can play a significant role in an organization's success (Garavan,



2007). However, in order for HRD to make a contribution it needs to move away from a process-oriented and administrative approach to one that is more strategic, and in doing so take a leadership role in the development of people (Gold et al, 2011). Strategic HRD, which is the focus of this chapter, requires that specialists with responsibility for learning and development in organizations think differently about the functional requirements and activities of HRD as a set of organizational practices. It requires the possible relinquishment of the more operational, low-value training and development activities and finding more time to develop the competencies to perform a variety of strategic roles. Strategic HRD (SHRD) is premised on the view that HRD practitioners possess the competencies to assume the role of strategic partners, strategic players and players in the business rather than simply reacting to the events in the business. They are expected to act as leaders in ensuring that HRD functional activities are conducted in a way that focuses on organizational needs and are implemented in an ethical and sustainable way. Specialists are expected to perform the role of change agents by demonstrating the need for change and helping the organization to build adaptability, alignment and execution capabilities.

The aim of this chapter is to provide an overview of the defining features of SHRD, to show how SHRD differs from more traditional conceptualizations of HRD, and to demonstrate how SHRD can add value to a business. It addresses both theoretical and practice models of SHRD. The chapter finally addresses the enabling or facilitating conditions that can make SHRD a reality in organizations.

Defining strategic HRD

It is accepted that SHRD represents a particular model of HRD. Swanson and Holton (2009) define HRD as a process of developing and unleashing expertise for the purpose of improving individual and teamwork processes, and organizational systems. HRD represents a concept that focuses on how individuals develop their personal and organizational skills, knowledge and abilities with the objective of ensuring a better integration between work and learning. Mankin (2009: 6) views HRD as:

encompassing a range of organizational practices that focus on learning; training, learning and development; workplace learning; career development and lifelong learning; organizational development; organizational knowledge and learning.

Hamlin and Stewart (2011) have, however, highlighted some of the definitional challenges in setting the boundaries of HRD. They reached a number of important considerations:

- HRD is conceptualized as a process that occurs in workplace settings and is designed to facilitate individual and group learning in the context of jobs, work and careers.
- HRD focuses on organizational learning, change and development.
- HRD focuses exclusively on work-related issues within organizations. It is less concerned with societal and global issues.



It is arguable that these features in many ways define the scope of SHRD; however there are a number of distinguishing points. SHRD has as its primary focus an emphasis on performance. Grieves (2003: 108) suggested that: 'it emerged as a result of a new climate of disorganised capitalism and from debates within organisational development.' Garavan (2007: 25) defined SHRD as a 'coherent, vertically aligned and horizontally integrated set of learning and development activities which contribute to the achievement of strategic goals'. It is possible to delineate a number of the defining features of SHRD: it is concerned with the long-term development of human resources in organizations; it is a shaper of business strategy in addition to its role in strategy implementation; it emphasizes learning for the purpose of performance; it utilizes a multiplicity of strategies to facilitate performance, learning and change in individuals and organizations; and it is continuously aligned with the strategic goals of the organization.

The word 'strategic' emphasizes the organizational perspective and seeks to make the link between HRD, organizational goals and objectives (Wognum and Fond Lam, 2000). Robinson and Robinson (2005) argued that the mission of SHRD is to implement development strategies that enhance employee performance and lead to business results. The SHRD strategies utilized are fundamental to moving HRD from an operational to a strategic activity. Investment in HRD activities are linked to organizational performance in the belief that the greater the investment, the greater the likelihood that the organization will perform better.

The concept of strategic HRD has been criticized on a number of fronts. Millmore et al (2007) highlight four particular limitations of the concept. There is a presumption that HRD specialists are actually important stakeholders in an organization; it is acknowledged that this may often not be the case. The concept has a strong managerialist focus in that it emphasizes the strategic imperatives of the organization and de-emphasizes employee needs. The concept of strategic integration is presented in a vertical way rather than as a multi-dimensional concept. Initial models of HRD such as McCracken and Wallace (2000) were somewhat silent in the articulation of the roles of different stakeholders such as top management and line managers. Subsequent explanatory models have accounted for these factors.

Understanding the contribution of SHRD to individual and business performance

A number of theoretical perspectives – human capital theory, resource-based theory and a behavioural perspective – can be utilized to understand the contribution of SHRD to both individuals and organizations. However, it should be pointed out that some researchers and practitioners consider it something of a Holy Grail to establish a causal link between SHRD and performance at the level of the organization. It should also be said that few SHRD models place very much emphasis on individual needs.

Human capital theory

Human capital theory recognizes that investment in education, training and experience can bring significant wage and job benefits to individuals. SHRD can be viewed as an investment in human capital, and the decision to participate in training activities and acquire skills is viewed as a rational choice on the part of individuals. Human capital theory has at its core a very simple argument: investment in either formal or informal training and education increases an individual's performance, productivity and earnings (Gattiker, 1995). Human capital theory also makes an important distinction between two types of training investment: general and specific. Firm-specific training is non-transferable and has limited value outside of the organization. General training however has value in the labour market and has career-enhancing value. Garavan et al (2001: 48) make this argument concerning human capital:

This perspective on human capital takes as its starting point the view that human competencies are one of the resources available to organizations. The origins of this notion of human capital can be attributed to the work of Prahalad and Hamel (1990), who analysed the competitiveness of organizations and attributed it to the possession of core competencies. They postulated that an organization can possess unique clusters of factors that allows it to be competitive, and human capital is one of these. This resource-based view represents a current paradigm on firm competitiveness and conceptualizes the organization as a collection of competencies that draws attention to issues of learning, HRD investment, knowledge accumulation and experience.

Hamel and Prahalad (1994: 223) describe core competencies as 'a bundle of skills and technologies rather than a single skill or technology'. This line of thinking clearly indicates that SHRD has value in enhancing core competencies, some of which are grounded in human capabilities. These skills need to be developed over time in order to confer on organizations a set of capabilities that other firms will find it difficult to imitate. However they also need to be rented to the organization in order for them to be of value in strategic terms.

Resource-based theory

The resource-based perspective rests on the assumption that differences in HR configurations between firms result in a fundamental heterogeneity in their potential to contribute to organizational performance. The long-term competitiveness of an organization will in part be determined by whether its human resources are durable, difficult to imitate and substitute, and enable the organization to differentiate itself from other competitors (Festing and Eidems, 2011). Human resources provide the potential for sustained competitive advantage through the use of SHRD to develop competencies that are firm-specific and generate tacit organizational knowledge (Lado and Wilson, 1994). It is well established that tacit and industry-specific knowledge has the most value in a strategic context. The resource-based approach emphasizes the need for organizations to implement a specific SHRD strategy, one that seeks to achieve competitive advantage by enhancing both the competence and commitment of human resources. It requires that organizations implement an internally consistent



set of SHRD practices. Research has suggested a set of universal SHRD practices that are of value. These include job training, leadership development, technical competency development, strategies to generate tacit organizational knowledge and social networking strategies (McWilliams, Van Fleet and Wright, 2001; Eisenhardt and Martin, 2000). The 'best practices' approach suggests that particular universal HRD practices are associated with enhanced business performance.

The behavioural perspective

The behavioural perspective on SHRD argues for the use of HRD practices as tools to shape patterns of behaviour that help organizations achieve organizational goals and objectives. Different organizational goals and objectives require different types of behaviours and therefore different SHRD practices (Snell, 1992). This configurational approach emphasizes an external fit highlighting a contingency perspective on SHRD. Factors that become relevant in this context include: organizational size, technology, ownership, sector and location, and are important contingency variables. The argument that SHRD practices should be aligned with strategy is compelling; however, the empirical base for this argument is weak (Tharenou, Saks and Moore, 2007; Yorks, 2004). The focus on generic strategies proposed by Michael Porter has not produced compelling results in the SHRD context. Lengnick-Hall and Lengnick-Hall (1998) proposed a potential reciprocal interdependence between an organization's business strategy and its SHRD strategies. This suggests that the demand for skilled employees will be dictated by competitive strategy. In turn, the availability of quality human resources will impact on competitive strategy and, where an organizational has significant growth expectations combined with a high level of skill and competence readiness, this will lead to expansion and growth. However, where the organization lacks skills and competencies, it will lead to a change in strategy. There is good support for the notion that where organizations pursue growth-oriented strategies this will lead to the utilization of SHRD to enhance organizational readiness (Tharenou, Saks and Moore, 2007).

Theoretical models of SHRD

Models of SHRD tend to be either prescriptive or explanatory. We will focus here on four models that fall into these categories.

Prescriptive models of SHRD

The two primary prescriptive models of SHRD are those proposed by Garavan (1991) and Wallace and McCracken's enhancement of the Garavan model in 2000. Garavan (1991) introduced a prescriptive model of SHRD consisting of nine key characteristics: integration of HRD activities with organizational mission and goals; environmental scanning; management support for HRD; formulation and implementation of HRD policies and plans; line manager commitment to and involvement in the design; alignment of SHRD with complimentary HRM activities; an expanded



role for the training or HRD specialist; the recognition of culture in the design and delivery of SHRD; and the evaluation of the contribution of SHRD to individual and organizational effectiveness. This model, while useful as a starting point in explaining the concept of SHRD, suffered from a number of limitations: it advocated a one-size-fits-all approach; it emphasized characteristics rather than seeking to explain the relationships between the various components; and it was essentially normative in nature. These initial formulations of the model provided little in the way of empirical support for their propositions.

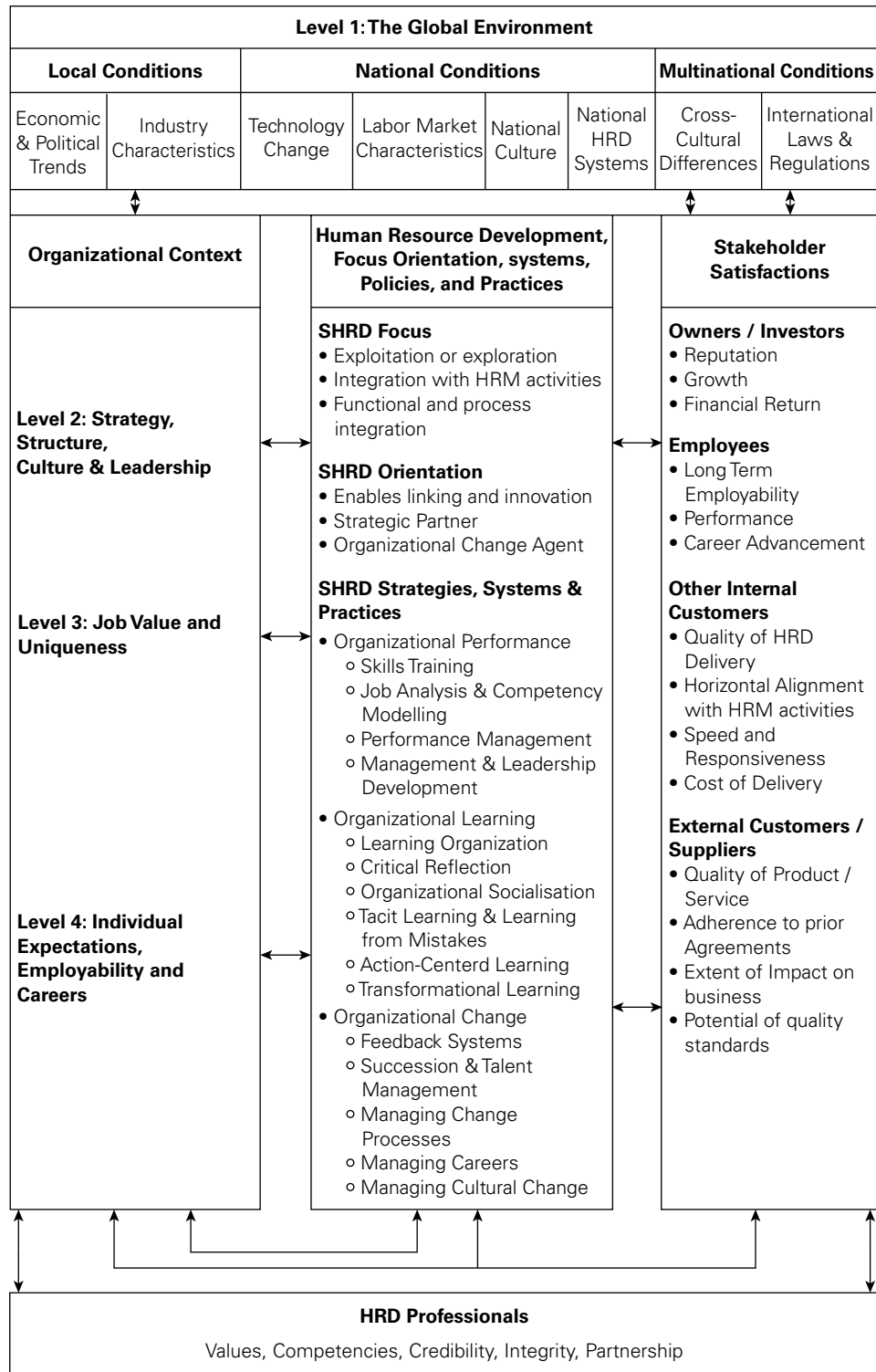
McCracken and Wallace (2000) and Garavan, Heraty and Morley (1998) expanded and developed these characteristics further. The essence of the three formulations of the model focused on creating a learning culture through mutual and reciprocal relationships between SHRD and business strategy. SHRD is viewed as both responding to and shaping business strategy as it evolves. The trajectory of growth envisaged for the HRD function is one that diverges away from an administrative, operational, and reactive and delivery-focused entity towards one that works within a strong learning culture, adopts a strategic approach to HRD and focuses on organizational change. McCracken and Wallace (2000) envisaged that SHRD would exhibit different characteristics depending on the level of maturity of HRD in the organization. Prescriptive models in general are open to criticism because of their assuming that there is an endpoint for SHRD rather than adopting the view that SHRD is an emergent process (Lee, 2001). These issues were subsequently addressed in the models of SHRD that followed.

Explanatory models of SHRD

Two significant explanatory models are those by Garavan (2007) and Peterson (2008). The Garavan (2007) model proposes that SHRD operates within a context that is dynamic (Figure 2.1). He suggests four different levels of context that impact HRD. The first level of context concerns the global environment, which encompasses local, national and multinational conditions. The local factors are concerned with economic and political trends and industry characteristics, while the national factors include technology change, labour market characteristics, national culture and national HRD systems. The multinational dimensions focus on cross-cultural differences, and international laws and regulations.

The second level of Garavan's model, the internal context of the organizations, includes the strategy, structure, culture and leadership of the firm. Strategy refers to the firm's product and services in relation to cost orientation, differentiation and focus. The second level also includes the structure of the organization, whether domestic or global; the culture of the organization and whether it is in line with its vision, values and strategy; and leadership style, which is considered key to implementing vision and values and to developing culture. Level three focuses on the level of the job and emphasizes its value and its uniqueness. SHRD strategies will vary according to the level of value and uniqueness attached to different positions within the organization. Organizations decide which strategic practices they should use depending on the importance they attach to the particular job. Finally, the fourth level focuses on individual expectations, employability and careers. Employee expectations,

FIGURE 2.1 Garavan's model: contextual and dynamic framework for SHRD (2007)



talent-management practices and employees identified by management as ‘stars’ – those employees who are viewed as having great potential – play a major part in influencing SHRD practices. Policies will be influenced by employees’ ambitions and career aspirations, their willingness to upskill and their commitment to achieve organizational goals.

Espedal (2005) and March (1991) suggest that firms need to implement a mix of practices that focus on exploitation and exploration. Efficiency or exploitation-focused SHRD practices tend to be short term and focus on the internal development of competencies. SHRD can be used to refine firm-specific capabilities and skills, and includes practices such as socialization, skills training and performance management. SHRD should also contribute to adaptive capability. This represents an exploration focus. It is achieved through the adoption of change-focused SHRD strategies. They emphasize tacit learning and knowledge-management initiatives, and include learning from experience and the facilitation of experimentation and risk taking.

Another dimension of SHRD focus concerns the degree to which its activities are horizontally integrated with SHRM activities. Jackson and Schuler (2003) suggest that synergies can be achieved when bundles of HRD and HRM practices are horizontally aligned and contribute to a defined set of behaviours and performance expectations. Guest and Peccei (1994) suggest that in addition to horizontal integration it is important to have functional and process integration. Functional integration emphasizes the need to have a high-quality HRD department to ensure high SHRD impact. It focuses on both the quality of specialists and their location within the organization. Process integration focuses on the delivery processes used by the organization: their quality and level of customer focus.

The increased assignment of HRD activities to line managers and the tendency toward decentralization indicate a changed role for HRD professionals. Schuler and Jackson (1992) suggest that HRD professionals will be involved in linking HRD issues with challenges to the business, shaping the strategic direction of the firm, developing innovative solutions and approaches to enhance organizational effectiveness, and enabling line management to ensure that things happen. Ulrich (1996) suggests that HR professionals could adopt up to four possible orientations. HRD professionals frequently adopt a traditional orientation and implement transactional HRD practices such as induction, skills training and management training. These activities are designed to achieve efficient performance. They also frequently adopt an employee perspective and implement activities designed to enhance the competence and commitment of employees. Both orientations are operational in focus and are less likely to be performed by a strategic HRD function. A strategic approach is indicative of strategic partnership and organizational change-agent orientations. A strategic partnership orientation requires the HRD professional to translate strategic priorities into SHRD priorities and activities. An organizational change orientation requires the HRD professional to engage in activities that enable the organization to be ready for major change so as to respond to environmental uncertainty.

The model suggests that strategies, systems and practices of HRD focus on organizational performance, organizational learning and organizational change.



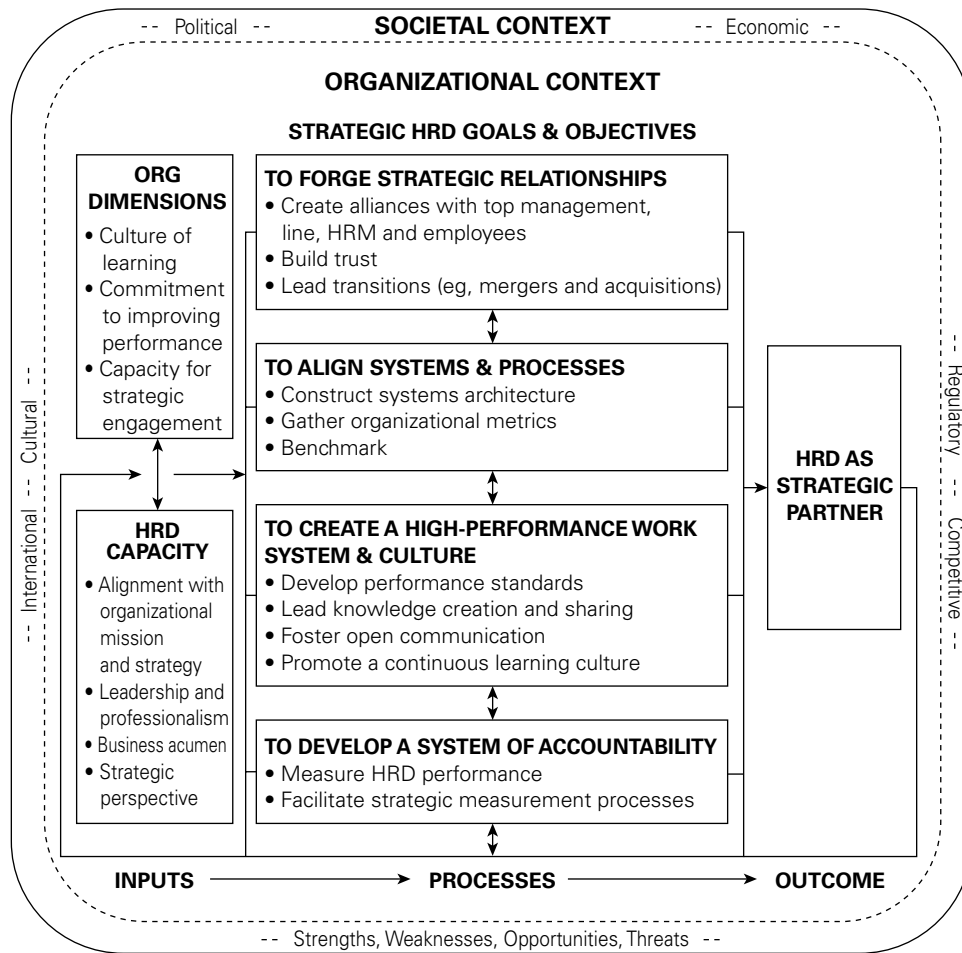
Organizational performance focuses on strategies such as skills training, job analysis, competency modelling, performance management, leadership and management development. A recent study by CIPD (2010) on learning and talent development indicates that interventions are considered the most beneficial HRD strategy; with the most valued interventions being coaching and mentoring. Learners value the opportunity to focus on self-development in addition to performance enhancement. Organizational learning strategies focus on tacit learning communities of practice, learning from mistakes, critical reflection, action-centred learning and transformational learning. Organizational change strategies focus on feedback systems, talent development, career management and employee empowerment.

The model highlights two particularly important but frequently ignored dimensions of SHRD: the management of stakeholder expectations and the characteristics of HRD professionals. Firstly, stakeholder expectations and satisfaction are important to explaining the positioning of HRD in organizations and whether it can be strategic or not; stakeholder perceptions will be important in explaining the type of practice model that prevails within an organization. Secondly, the values, competencies and capacity of the HRD role and/or function are extremely important. The model emphasizes the capacity of HRD specialists and whether they possess the technical and leadership capability to implement SHRD. The way in which SHRD specialists are developed represents an important challenge for organizations, and helps to explain their perceived credibility and impact.

The Peterson model (2008) is based on system-thinking ideas. She acknowledges the importance of the external environment but the primary focus is on the dimensions of the internal environment such as HRD capacity, strategic HRD goals and objectives, and the role of the HRD specialist as strategic partner. Like the Garavan model, the Peterson model assumes that SHRD operates within a broader societal context that includes economic, regulatory, competitive, international, cultural and political factors. Sometimes, these factors will influence organizations to respond through proactive anticipation; however, on other occasions, organizations are forced to react to these forces (Figure 2.2).

The model proposes three internal organizational dimensions that facilitate SHRD: a culture of learning, a commitment to performance improvement and a capacity for strategic engagement. A culture of learning is one that provides systematic, sustained and continuous opportunities for employees to develop capabilities (Peterson, 2008). The culture values learning as an intrinsically important activity. A commitment to improved performance concerns the extent to which an organization promotes performance improvement; where such a commitment exists, it enables HRD to provide the knowledge, skills and attitudes necessary for high performance. A capacity for strategic engagement highlights the readiness of the organization to learn, to review itself and to focus on strategic issues.

The concept of HRD capacity is one that is central to both the Garavan and Peterson models. Dimensions of strategic capacity highlighted in the Peterson model are the extent to which HRD goals and objectives are aligned with the organization's mission and strategy, the capacity of the HRD specialist to demonstrate leadership and articulate professional values concerning HRD, the business capability or acumen of the specialist, and the extent to which the specialist is comfortable with

FIGURE 2.2 The Peterson model of strategic human resource development

and skilled at adopting a strategic perspective. An important characteristic of a strategically oriented HRD function concerns its focus on articulating strategic HRD goals and objectives. The model proposes four dimensions of this strategic focus: the extent to which the HRD function forges strategic relationships with line managers, the HRM function and the senior executive team, and cross-functional collaboration; the alignment of HRD systems and processes; the focus on creating a high-performance work system and culture; and the development of accountability systems within the organization. The Peterson model ultimately envisages that the HRD specialist will act as a strategic partner: someone who engages with the wider strategic agenda and contributes to strategic change within an organization.



CASE STUDY 1 GE and an SHRD culture

It is generally accepted that General Electric (GE) has placed strong emphasis on SHRD to build a strong culture of learning and innovation. This culture was primarily driven by Jack Welch. The learning culture within GE is founded on the Work-Out Philosophy. This philosophy is based on three Ss: engendering self-confidence, encouraging challenge and simplicity to systems, and utilizing working practices that result in speed of responsiveness. GE has as its strategic goal to be the first or second in the marketplace in terms of volume, customer service and profitability. SHRD plays a major role in driving and sustaining the culture of GE. The company has introduced change management initiatives such as the change acceleration process (CAP), which emphasizes a culture of learning, growth and development.

GE places a strong emphasis on developing the skills of HRD professionals. Training programmes are used to develop HRD professionals' skills. Professionals are rotated through job assignments in non-HRD functions to help them learn about the business and become more strategic business partners. Many of the transactional components of HRD are outsourced and performed with the use of technology. GE focuses on developing HRD specialists so that they can take on the role of internal consultants. It has a global HRD curriculum that helps HRD specialists understand what the goals of SHRD are, what the changes in SHRD at GE mean to them, and what the plans are for SHRD. HRD professionals gain business knowledge such as finance and change management skills, and the ability to develop the relationships across the organization. Senior HRD specialists work under line managers to help them understand that HRD is there to help the managers implement strategy.

Practice models of SHRD

Models of SHRD practice are largely non-existent in the literature. However, it is clear that it is not a case of one size fits all when you examine the practice of SHRD in organizations. We suggest four variants of SHRD practice that we have observed in organizational operations: a predominantly traditional function but with increased recognition of the need to be strategic; a function that supports strategy implementation; a function where the HRD specialist is viewed as an expert in the strategic process; and a fully fledged SHRD function based on strategic partner ideas.

A predominantly traditional function with increased recognition of the need to be strategic

In this functional set-up, the HRD department or specialist is not involved in strategic issues; however, the role holder recognizes that this is problematic and has initiated various steps to get the HRD department/role more involved in the strategic issues of the organization. The HRD specialist has a clear understanding that HRD can contribute to the achievement of strategic goals but is also aware that significant barriers exist to the department playing an important strategic leadership role. In these organizations, the stakeholders of HRD do not understand or appreciate that

it can make an important strategic contribution. A particular barrier that is evident in this context is the lack of understanding on the part of the senior team of the value of SHRD. There is also a significant cultural barrier where stakeholders typically characterize the HRD function or role as administrative or reactive in focus. It is therefore necessary for the views of key stakeholders to change in order for HRD to play a strategic role. This model represents an initial step in the process of adopting a strategic approach to HRD. In order to acquire more impact, HRD specialists will need to manage the policies of the organization and manage the dialogue with key stakeholders so they begin to understand the potential of HRD to be strategic.

A function that supports strategy implementation

In this model of practice, the HRD specialist demonstrates significant strategic thinking and makes a contribution to the implementation of strategy. In organizations that adopt this model, there is a clearly articulated strategic plan that provides the specialist with opportunities to demonstrate that HRD can make a strategic contribution. The HRD specialist typically works closely with the senior leadership, and the senior team view the specialist as having a role to play in supporting strategy. Stakeholders do not, however, consider that the specialist can make a contribution to strategy formulation. The specialist will, however, select strategies that can create impact and demonstrate that the HRD role makes a long-term contribution to the organization. Many of these interventions will fall into the typical types of solutions provided by HRD.

HRD specialist as an expert in the strategic process

In this variant the HRD specialist is actively involved in the strategic formulation and implementation process. The involvement of the HRD specialist can best be described as being a consultant rather than a strategic business partner. Typically, the HRD specialist will be asked to provide advice on the potential impact of particular strategic goals or proposed actions. This may involve conducting research, specifying the HRD implications of particular actions and the provision of knowledge resources. The lack of a strategic partnership role may be curtailed due to the views of stakeholders who consider HRD to have an operational focus. The HRD function may not have sufficient capacity to deliver on the demands made by the strategic partner role.

A fully fledged SHRD function

In this model of practice, the HRD specialist and department contribute to the broader strategic issues within an organization. The HRD specialist is viewed as a key component of the strategic change and transformation process. The specialist will be involved in all significant strategic conversations about HRD issues, and issues that are beyond the remit of HRD, to focus on different types of change. The HRD specialist delivers an end-to-end set of solutions and performs operational as well as strategic roles. The HRD role will perform advice, consultancy, change and support roles simultaneously. The specialist and/or function will possess the capacity to respond with agility to a multiplicity of problems and situations. The role holder



will utilize a variety of interventions, such as coaching and mentoring, training, leadership development and challenging the status quo. The function will possess technical, leadership and management skills to deliver the strategic brief. Success depends on a top-down understanding of the strategic role HRD can play within an organization. The top team will trust the HRD specialist to demonstrate effective leadership and develop strong working relationships with stakeholders.

CASE STUDY 2 Strategy HRD: a 'develop from within' approach – Procter & Gamble

Procter & Gamble is the world's largest consumer-product company. It is a Fortune 500 American multinational corporation with headquarters in Ohio. Consistent with a 'promote from within' policy and the belief that P&G's human resources are a major source of competitive advantage that are hard to replicate, the development of employees is all pervasive and is central to the organizational culture. Employees receive multi-source reviews starting within a year after they join the company, and can take advantage of numerous development programmes over their career. There is a strong focus on ensuring that line managers take their responsibility for development seriously. They are evaluated and rewarded on the basis of their skills and efforts in developing people. P&G have found that where managers are considered strong as people developers, they create a flow-through of employees into their division or department. This encourages high performers to gravitate towards strong people-developing managers and they are motivated by a realization that they will receive many development opportunities.

P&G considers that it is important to eliminate silos. Mobility of employees for development purposes is considered vital. This mobility is supported through personal development plans, work assignments and the use of open-job postings. In the case of managers, P&G emphasizes learning and growth opportunities, internal mobility, job rotation, broadening assignments and temporary or permanent career moves. As part of the internal development approach P&G has also established a corporate university with the explicit purpose of reinforcing and perpetuating the corporate culture.

Facilitating and enabling conditions for SHRD in organizations

The factors that facilitate and enable SHRD in organizations are generally well documented. We will focus here on five factors: the articulation of a strategic vision, mission and strategy; the preparation and implementation of a SHRD strategy; the extent to which SHRD is viewed by top management as strategic; the technical leadership capability of the HRD specialist; and line management engagement with SHR. We will address each one in turn.

Clear articulation of an organizational strategic vision, mission and strategy

The theoretical and practice models discussed in this chapter are all premised on the existence of a clearly articulated set of strategic processes in the form of a vision, mission and strategy. Vision, mission and strategy create the context that enables the HRD function to set its objectives, clarify its priorities and select its programme of activities and interventions. The nature of the business strategy sets the agenda for SHRD. In organizations that adopt a cost leadership strategy, for example, the SHRD requirement is to develop skills to ensure efficacy. However, in organizations that emphasize differentiation, the challenge for SHRD is more complex. Differentiation is dependent on a complex set of interpersonal and tacit capabilities, and people are at the core of the value proposition. Organizations that emphasize a focus strategy will emphasize strong technical development.

Noe (2009) suggests that different types of business strategies mandate particular requirements for SHRD. He identifies four specific strategies: concentration, internal growth, external growth and divestment. In the case of case of concentration, the focus is on enhancing market share, creating a sustained market niche and managing costs. SHRD will respond to this strategy agenda through a focus on cross-training strategies, on-the-job training, team building and interpersonal skills training. Internal growth strategies emphasize market and product development, innovation and joint ventures. SHRD will respond through an emphasis on the development of organization culture, technical competence, development, cultural training, and the development of an organizational culture that stresses creative thinking and effective conflict-resolution skills.

External growth strategies emphasize diversification and integration. They require SHRD to provide interventions that facilitate team building, the integration of learning resources and the assessment of the capabilities of the employees of acquired firms. Divestment as a business strategy focuses on retrenchment, turnarounds, divestiture and liquidation. SHRD contributes strategically to this context through outplacement, assistive job-search skills training, leadership development and the management of structural change.

Preparation and implementation of a SHRD strategy and a broad portfolio of interventions

There is some agreement concerning the elements of an effective SHRD strategy. Themes identified include a commitment to people as a strategic resource, a strong articulation of shared purpose, a philosophy of shared learning and development, partnerships in the context of HRD and the articulation of enabling structures for SHRD delivery. Noe (2009) suggested that SHRD needs to focus on a number of important strategies to achieve success in organizations. Table 2.1 provides a synthesis of different contributions on strategic HRD strategies. There is an increased need for SHRD to broaden the options available. We suggest that this range of options can be basically categorized into formal and informal. Formal strategies will focus

TABLE 2.1 SHRD strategies and their implications for organizations

Strategy	Implications for practice
Diversity of the SHRD portfolio	<ul style="list-style-type: none"> ● Utilize competencies to drive SHRD interventions. ● Provide customised and personalised learning interventions. ● Emphasize non-formal and informal in addition to formal learning strategies. ● Utilize new technology to encourage self-managed learning. ● Blend learning solutions synergistically.
Ensure speedy delivery of SHRD strategies	<ul style="list-style-type: none"> ● Utilize just-in-time learning strategies. ● Systematically identify learning needs and provide quality learning solutions. ● Shorten significantly the time from needs identification to delivery of solution. ● Ensure that learners have access to learning resources on a needs basis. ● Avoid one-size-fits-all solutions and be aware of shelf-life issues.
Communicate SHRD strategies to all stakeholders	<ul style="list-style-type: none"> ● Ensure employees are aware of development opportunities. ● Develop appropriate learning-management systems. ● Use technology to communicate to stakeholders.
Leverage knowledge and tacit learning	<ul style="list-style-type: none"> ● Establish strategies to ensure that organizational knowledge is readily available. ● Utilize communities of practice to share tacit learning. ● Learning occurs everywhere and it should be leveraged throughout the organization. ● Codify valuable knowledge for effective knowledge sharing. ● Capture 'real time learning' and use real organizational changes as vehicles for learning.
Focus on the learning transfer environment	<ul style="list-style-type: none"> ● Focus on managing constraints to learning transfer. ● Ensure that managers and peers are supportive of learning transfer. ● Develop the capabilities of employees to apply learning. ● Develop strategies to promote reflection and capture employee learning.

on instructor-led training, virtual classrooms, simulations, e-learning and games. Informal strategies can include on-demand social and embedded learning. On-demand includes podcasts, books and articles, learning knowledge portals, videos and e-learning. Social strategies include blogs, forums and wikis, expert directories, social networks, communities of practice, coaching and mentoring. Embedded informal learning strategies include feedback, performance support, developmental planning and rotational arrangements.

Top management support for SHRD

Top management provide a number of important aspects of support for SHRD. These include: providing a clear vision, serving as a sponsor of SHRD, performing a governing role, serving as role models for SHRD, committing resources to SHRD and serving as subject-matter experts. The reality is that such support is frequently not there. Top management support is considered to be one of the most important facilitating conditions (McCracken and Wallace, 2000). Garavan, Hogan and Cahir-O'Donnell (2003) have suggested that executives must be willing to allocate valuable resources and to sustain these resources during times of economic downturn.

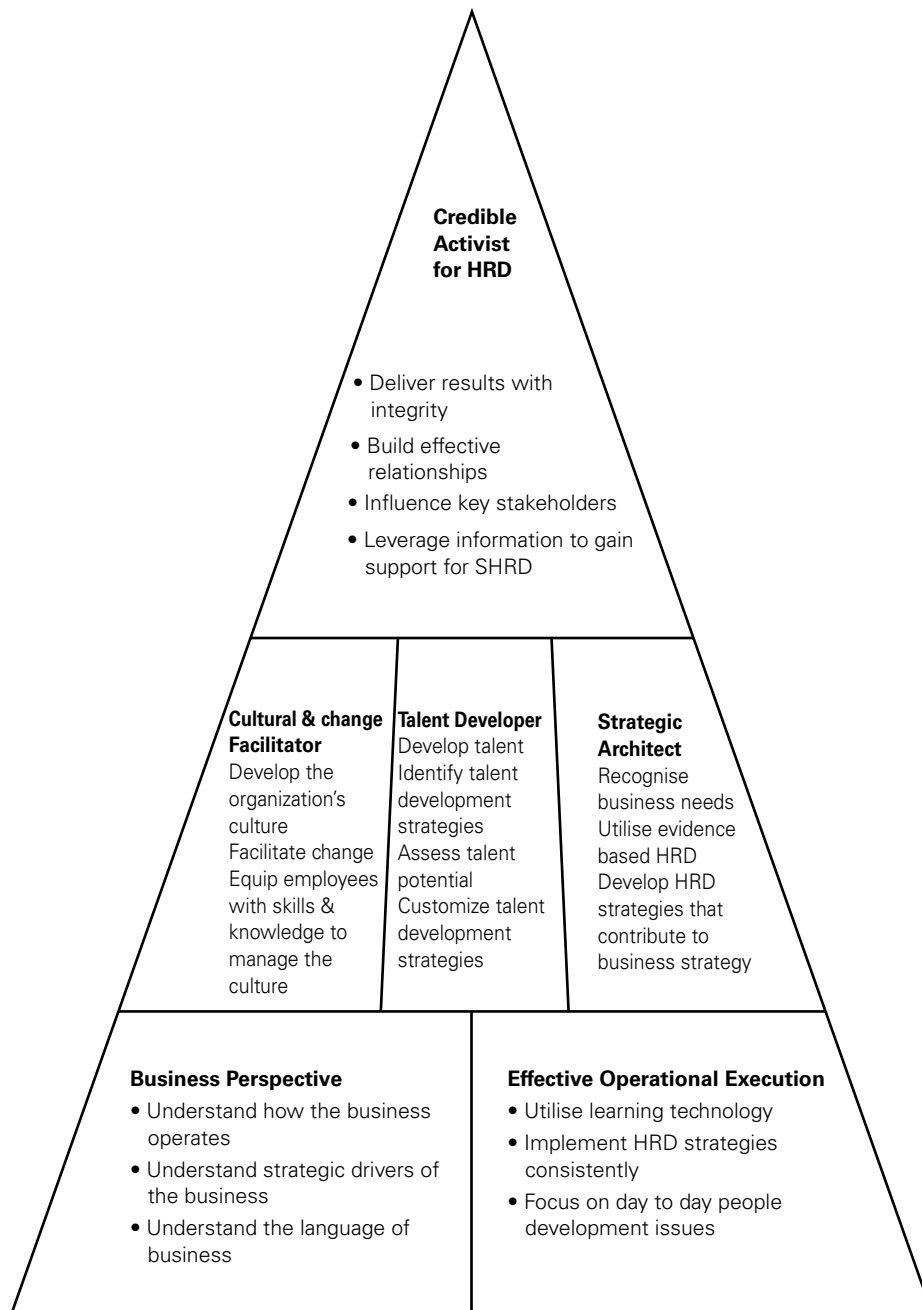
HRD specialists can look to a number of important indicators of active top management support for SHRD. These include:

- Top management are key drivers behind a particular SHRD initiative or they were the initiators of a key policy initiative related to SHRD.
- Top management attend key kick-off meetings such as the launch of a programme or policy initiative.
- It is possible to give an elevator speech on SHRD. For top management to be able to explain SHRD, its return on investment and its components within the attendance span of a spectator is considered a key hallmark of top management commitment.
- Top management are willing to support a HRD initiative during a significant economic downturn.

The technical leadership capabilities of the HRD specialist

HRD specialists need to possess a combination of technical and leadership competencies in order to demonstrate effective SHRD leadership. Figure 2.3 represents an adaptation of the new competencies for HR Model provided by Grossman (2007). The framework places significant emphasis on the strategic role of the HRD specialist; however, it also acknowledges the importance of effective execution of the operational dimensions of SHRD. A key dimension emphasized in the framework is the need to be a credible activist for HRD. These competencies include building effective relationships with key stakeholders, influencing stakeholders inside and outside the organization, leveraging information to build support for HRD and delivering business results with professionalism and integrity.

It is acknowledged that the HRD role is constrained by a variety of conflicts. Tseng and McLean (2008) highlight three such conflicts: internal specialist conflicts, the management of conflicting priorities and managing line-specialist conflicts. Such conflicts place significant demands on the competences of the HRD specialist.

FIGURE 2.3 The competencies required of HRD specialists

Adapted from Grossman (2007).

Line manager engagement with SHRM

The HRD specialist needs both the involvement and the engagement of line managers in the delivery of SHRD. A 2007 CIPD study emphasizes the key role of the line manager in delivering SHRD. This study highlighted a number of factors important to the involvement of SHRD. These include building a shared language concerning SHRD, creating a supportive organizational culture where line managers and HRD specialists can communicate with each other, and the development of the capabilities and competencies of line managers to work on learning and development issues. Other suggestions that are made to enhance line manager engagement with SHRD issues focus on more practical matters such as encouraging line managers to actively participate in the HRD strategy-development process, strategic partnering on strategic HRD problems, and providing the line manager with goals that are related to SHRD.

Reasons why line managers do not engage with SHRD issues focus on: a lack of skills, negative attitudes to HRD, time issues and conflicting priorities, poor HRD systems and procedures, and a lack of confidence to take on the role. Table 2.2 summarizes some of the actions that can be taken to enhance line manager engagement with SHRD.

TABLE 2.2 Engaging line managers with SHRD: some suggestions

At strategic level:

- Ensure that the HRD strategy underpins the corporate strategy.
- Focus on developing a learning culture. Develop attitudes, values and practices that support continuous learning and development.
- Demonstrate a tangible link between SHRD strategies and organizational performance.
- Ensure that the performance management process includes KPIs related to SHRD.
- Reward positive learning and development behaviours among managers.

At operational level:

- Focus leadership development initiatives on developing people-development skills such as coaching, facilitation, feedback giving and seeking.
- Share the successes of SHRD with line managers where it is possible to demonstrate a tangible link between SHRD and performance.
- Follow up with line managers on training and development issues related to their employees.
- In the development-planning process, get line managers to think about their business goals and translate these goals into learning needs and outcomes.

At team-member level:

- Hold sessions on learning and development opportunities and reinforce why learning is important for both performance and advancement.
- Help team members select development strategies and development opportunities.
- Encourage team members to be proactive in terms of their own development.
- Provide mechanisms to encourage informal learning and development.



CASE STUDY 3 SHRD: how Dell does it

Training and development has always been part of how Dell operates as a business. However, by 1995 it was clear that it needed to place greater emphasis on the capabilities of its human resources in order to sustain competitive advantage. As a result it created the office of Dell Learning, which became responsible for all HRD activities within the corporation. It was given the following primary objectives: to align learning with key business goals, to make learning available to everyone who needed it, to create clarity around competencies required for continued success and to provide consistency where required through global curricula.

In order to give effect to these objectives, a centralized corporate team was established with the role of designing processes for HRD. HRD specialists reported directly into each business or function and were tasked with developing a business-based HRD plan, holding business leaders accountable and responsible for the execution of the plan, ensuring that resources were available to execute it, and evaluating its implementation.

The Corporate Learning group also included fulfilment teams to serve Dell's different businesses on demand. One team produces learning tools to train sales and technical employees in Dell's products and services. Another team, called Education Services, manages registration, scheduling, tracking and learning logistics. A third team consists of experienced and qualified instructional designers who manage development projects requested by the business. The HRD function within Dell operates as a federation consisting of corporate regional (HR) training and regional (non-HR) training. These various components are managed by the senior management team and a number of Dell Learning Councils.

The Corporate Learning group consists of six key elements: corporate and regional operations that focus on global HRD; Dell Learning Services, which provides instructional design services and counselling; Dell Learning Technology Services, which provides specialized services charged with the utilization of learning technology; Education Services, a centralized support function dealing with vendor management, event management and registration; New Product Training, which focuses on learning materials for product and service training; and a Programme Management Office, which focuses on the development of HRD strategies to support strategic initiation. The Corporate Learning group reports to Human Resources, as do a number of business-based training groups that tend to be functional, geographical and business-segment focused. These groups participate in the training councils that Dell Learning organizes around key needs. The key philosophy driving Dell Learning is that all HRD activities should be business and issue based, respond quickly to business needs, make the most effective use of resources and demonstrate a direct contribution to business performance.

The principles of operation that support this philosophy are that SHRD should be flexible and competency based, and business managers should be in charge of managing their own learning investments. SHRD solutions have limited shelf life and should be treated accordingly; learning occurs everywhere so the obligation of managers and employees is to leverage it across the organization.

Conclusions

Human resource development has emerged as a significant strategic issue within organizations. One of the reasons for this is the increased recognition that people are an important source of sustained competitive advantage. Skills and competencies enable an organization to be more flexible and to reconfigure to meet strategic challenges. Consistent with the ideas proposed by the resource-based theory of the firm and behavioural approaches, organizations should implement best-practice SHRD strategies or best-fit strategies to maximize business performance.

SHRD represents a particular variant of HRD. It differs from more traditional models of HRD in that it proposes a model of HRD that is aligned with the needs of the business or organization. Idealized models of SHRD envisage that HRD specialists will act as shapers of business strategy and be strategic business partners. The majority of prescriptive and explanatory models of SHRD emphasize vertical and horizontal alignment with strategy and HR strategy, the implementation of structures and strategies that contribute to the bottom line, the enhancement of the capacity of the HRD specialist to contribute at a strategic level and the utilization of a strategic perspective to consider learning issues in the organizations.

A variety of enabling conditions are necessary to ensure that SHRD makes an optimum contribution. These include: a clearly articulated organizational mission, vision and strategy; the formulation and implementation of an aligned SHRD strategy; top management support for learning; engagement and involvement of line managers in the development and delivery of learning solutions; and an HR specialist who possesses the appropriate combination of technical and leadership competencies to deliver in an organization.

Ultimately in any business it is the quality of human capital that produces results. Developing a talented workforce represents the single most important priority of and challenge for SHRD. This challenge must focus on developing existing employees as well as successfully developing new employees so that they can contribute quickly in terms of performance and discretionary effort.

Questions for reflection

- Shouldn't all HRD be strategic? Why do we need to talk about strategic HRD?
- To what extent is the training provision in your organization (or an organization you know) strategic?
- How is it possible that firms that do not provide training and development to their employees manage to survive?

Further information sources

Foras Áiseanna Saothair Training and Employment Authority (Ireland): www.fas.ie/

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