CHAPTER-1
AN INTRODUCTION TO STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM)

1.1 THE CONCEPT OF SHRM AND ITS FEATURES

Strategic human resource management (SHRM) is the process of linking the human resource function with the strategic objectives of the organization in order to improve performance. Strategic Human Resource Management focuses on the overall HR strategies adopted by business units and companies, according to John Bratton, 2009. It is a thought that integrates traditional human resource management activities within a firm’s overall strategic planning and implementation, thus called Strategic Human Resource Management.

Some important definitions of strategic human resource management given by various experts are as follows,

1. Strategic human resource management means formulating and executing human resource policies and practices that produce the employees’ competencies and behaviour, that companies need to achieve its target games, says Gary Dessle, 2009.

2. Strategic human resource management is concerned with all those activities that affect the behaviour of individuals in their efforts to formulate and implement the strategic needs of the business, as per R.S. Schuler, 2011.

3. Strategic Human Resource Management is a pattern of planned human resource deployments and activities intended to enable the firm to attain its goals, as per G.C. McMahan, 2011.

SHRM has been designated as a branch of Human resource management or HRM and is a fairly new field, which has emerged out of the parent discipline of human resource management. Much of the early or so called traditional HRM literature treated the notion of strategy superficially, rather as a purely operational matter, the results of which cascade down throughout the organisation. There was a kind of unsaid division of territory
between people-centred values of HR and harder business values where corporate strategies really belonged. HR practitioners felt uncomfortable in the war cabinet like atmosphere where corporate strategies were formulated. (Article Source: http://Ezine Articles. com/549585) Boxall, Purcell, and Wright 2007^ distinguished among three major subfields of human resource management (HRM): micro HRM (MHRM), strategic HRM (SHRM), and international HRM (IHRM). Micro HRM covers the sub functions of HR policy and practice and consists of two main categories: one with managing individuals and small groups (e.g., recruitment, selection, induction, training and development, performance management, and remuneration) and the other with managing work organization and employee voice systems (including union-management relations). Strategic HRM covers the overall HR strategies adopted by business units and companies and tries to measure their impacts on performance.

When employees work in a positive service climate, with the right tools to do their job, the result is more satisfied customers, with increased competitive financial performance for the company, often including a stronger market value. HR has a key role to play by creating and sustaining a workplace culture with people management practices and initiatives that encourage, reward and support behavior focused on quality service Schneider and Barbera, 2011.

**Key Features of Strategic Human Resource Management**

*The key features of SHRM are*

- There is an explicit linkage between HR policy and practices and overall organizational strategic aims and the organizational environment.

- There are some organizing schema linking individual HR interventions so that they are mutually supportive.

- Much of the responsibility for the management of human resources is devolved down the line.
SHRM integrates human resource considerations with other physical, financial, and technological resources in the setting of goals and solving complex organizational problems apart from emphasizing the implementation of a set of policies and practices that will build employee pool of skills, knowledge, and abilities that are relevant to organizational goals. It involves a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital (employees) contribute to the achievement of its business objectives, says Baird & Meshoulam et al, 1995.

Strategic human resource management may bring a number of benefits to the organization as stated by Brewster, Chris et al., 2000 stated as,

- Contributing to the goal accomplishment and the survival of the company,
- Supporting and successfully implementing business strategies of the company,
- Creating and maintaining a competitive advantage for the company,
- Improving the responsiveness and innovation potential of the company,
- Increasing the number of feasible strategic options available to the company,
- Participating in strategic planning and influencing the strategic direction of the company as an equally entitled member of top management,
- Improving cooperation between the HRM department and line managers.

The concern of SHRM is to ensure that: (1) human resource (HR) management is fully integrated with the strategy and the strategic needs of the firm; (2) HR policies cohere both across policy areas and across hierarchies; and (3) HR practices are adjusted, accepted, and used by line managers and employees as part of their everyday work, according to Muhammad Aminu Baw and Dr Juhary Ali 2009.
Strategic human resource management has gained popularity over the past decade, specifically with respect to the debate on HRM and performance, overviews of Delery and Boselie et al., 2001. According to them, there is a general agreement that (1) human capital can be a source of competitive advantage, (2) that HRM practices have the most direct influence on the human capital of a firm, and (3) that the complex nature of HRM systems of practice can enhance the inimitability of the system.

To sum up, it appears that some of the frequently cited fundamental elements of SHRM in the literature are: SHRM practices are macro-oriented, proactive and long term focused in nature; views human resources as assets or investments not expenses; implementation of SHRM practices bears linkage to organizational performance; and focusing on the alignment of human resources with firm strategy as a means of gaining competitive advantage, as per Nee & Khatri, 1999.

In the Armstrong's Handbook of Strategic Management Armstrong's Handbook of Strategic Human Resource Management 2011, three key elements of SHRM have been described by Mabey et al 1998, they are,

1. Internal processes of organizational change are caused or necessitated by processes of external environmental change.

2. Under these new environmental pressures (competition, technology, clients' demands and so on) management must develop new and appropriate strategies to defend or advance corporate interests.

3. This strategic response in turn requires organizational responses. 'If the organization is to be capable of achieving or delivering the new strategy it will be necessary to design and implement changes in any or all aspects of human resource structures and systems.'

How SHRM Differs from HRM

In the last two decades there has been an increasing awareness that HR functions were like an island up to itself with softer people-centred values far away from the hard world of real business. In order to justify its own existence HR functions had to be seen as more intimately connected with the
strategy and day to day running of the business side of the enterprise. Many writers in the late 1980s, started clamoring for a more strategic approach to the management of people than the standard practices of traditional management of people or industrial relations models. Strategic human resource management focuses on human resource programs with long-term objectives. Instead of focusing on internal human resource issues, the focus is on addressing and solving problems that effect people management programs in the long run and often globally. Therefore the primary goal of strategic human resources is to increase employee productivity by focusing on business obstacles that occur outside of human resources. The primary actions of a strategic human resource manager are to identify key HR areas where strategies can be implemented in the long run to improve the overall employee motivation and productivity. Communication between HR and top management of the company is vital as without active participation no cooperation is possible.

As per Pravin Durai,2010\textsuperscript{14}, though Strategic human resource management is an off shoot of human resource management, it is emerging as an important and independent field of interest for the human resource Interest. The Following differences between SHRM and HRM have been elaborated by the author,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SHRM is based entirely on a soft HRM approach that views employees as precious resources.</td>
<td>HRM is mainly based on hard HRM approach that views employees as important tools of production and headcount resources.</td>
</tr>
<tr>
<td>2</td>
<td>SHRM focuses on business level outcomes.</td>
<td>HRM focuses on HR level outcomes.</td>
</tr>
<tr>
<td>3</td>
<td>SHRM is proactive in nature and sets the trend in the market.</td>
<td>HRM is reactive in nature and follows the trends in the market.</td>
</tr>
<tr>
<td>4</td>
<td>SHRM operate at higher levels of Management.</td>
<td>HRM operates at relatively lower level of organization.</td>
</tr>
<tr>
<td>5</td>
<td>Understanding the operational dimensions of organization is basic necessity of SHRM.</td>
<td>Understanding the operational aspects of organization are not is not a priority area of HRM.</td>
</tr>
<tr>
<td>6</td>
<td>In SHRM, business strategies and HR strategies effectively supplement each other in their formulation.</td>
<td>HRM merely accomplished the HR goals and targets set by business strategy.</td>
</tr>
<tr>
<td>7</td>
<td>Gaining competitive advantage out of Human Resources is the basis of SHRM.</td>
<td>Managing employees is the primary aim of HRM.</td>
</tr>
</tbody>
</table>

*Table-1 Difference of SHRM and HRM: Human Resource Management,Durai Praveen, 2011, Pearson Education India*
1.2 GLOBALIZATION AND ITS IMPACT ON SHRM

The last decade has witnessed a lot of changes due to the impact of globalization, fewer trade barriers, and the rapid spread of the cyber revolution, says Deepika Faugoo 2009\(^{15}\).

All these changes and fluctuations have changed the world of work. According to Redman et al 2001\(^{48}\), in response to these changes, organizations and institutions are increasingly realizing the importance of human competitiveness as essential to organizational survival and success, which has created a new paradigm shift as to the ways in which people should be managed, that has propelled the expansion of Strategic HRM.

As per Husynski et al 2002\(^{16}\), the essence of Strategic HRM is that people are regarded as competitive assets to be led, motivated, and deployed, in ways that contribute directly to the attainment of the firm's strategic objectives. Handy et al 1990\(^{17}\) says that overall purpose of Strategic HRM is to ensure that the organisation is able to achieve success through people. Modern day organizations are in quest of gaining competitive advantage over their competitors and the belief is emerging that human resources are those strategic assets that can lend an organisation added value over their competitors.

In a research paper "The Impact of Globalization on Human Resource Management in Zambia: Gaining Competitive Advantage through Effective Management of Human Resources" a consensus has emerged among scholars and practitioners alike that the business environment has become more competitive than in the past because of globalization. In order to survive in this new era, businesses have to focus even harder on their competitive strengths so as to develop appropriate long-term strategies. Old practices and systems that have evolved over time are no longer appropriate.

Since globalization has an influence on the HRM practices of the organizations, so it is essential to homogenize the strategies and processes of the organizations. In this concern, the practice of SHRM is beneficial for the organizations to take proactive measures for improving the efficiency of the
employees and encouraging the feeling of collaboration among them. Globalization represents the structural making of the world characterized by the free flow of technology and human resources across national boundaries as well as the spread of Information Technology (IT) and mass media presenting an ever-changing and competitive business environment. The coming of the 21st century globalization poses distinctive HRM challenges to businesses especially those operating across national boundaries as multinational or global enterprises.

In today's aggressive global market it has become necessary for organizations to expand internationally to gain competitive advantage. Globalization has forced organizations and their human resources functions to redefine their strategies. It is necessary for the management to invest considerable time and amount, to learn the changing scenario of the Human Resource Department in the 21st century. In order to survive the competition and be in the race, HR Department should continuously update itself with the transformation in HR suitable HR Policies that would lead to the Achievement of the organization as well as the individual's goals should be formulated according to Patil, Sunil, 2010\textsuperscript{19}.

When it comes to business, the world is indeed becoming a smaller place. More and more companies are operating across geographic and cultural boundaries. While most have adapted to the global reality in their operations, many are lagging behind in developing the human resource policies, structures, and services that support globalization. The human resource function faces many challenges during the globalization process, including creating a global mind-set within the HR group, creating practices that will be consistently applied in different locations/offices while also maintaining the various local cultures and practices, and communicating a consistent corporate culture across the entire organization. To meet these challenges, organizations need to consider the HR function not as just an administrative service but as a strategic business partner.

Companies should involve the human resources department in developing and implementing both business and people strategies. This type
of partnership is necessary if an organization wants to change potentially inaccurate perceptions of HR and reiterate the HR function’s purpose and importance throughout its global environment. Organizations will also discover that HR can be invaluable in facilitating the development of a unifying corporate culture and finding and cultivating much needed leadership talent around the world.

The process of globalizing resources, both human and otherwise, is challenging for any company.

Organizations should realize that their global HR function can help them utilize their existing human talent from across multiple geographic and cultural boundaries. International organizations need to assist and incorporate their HR function to meet the challenges they face if they want to create a truly global workforce, according to *Sheila and Paul, 2010*.

**How SHRM Impacts Performance of Organization**

Many organizations face a volatile market situation. In order to create and sustain competitive advantage in this type of environment, organizations must continually improve their business performance. Increasingly, organizations are recognizing the potential of their human resources as a source of sustained competitive advantage. Linked to this, more and more organizations are relying on measurement approaches, such as workforce scorecards, in order to gain insight into how the human resources in their organization add value.

The increasing interest in measurement is further stimulated by a growing number of studies that show a positive relationship between human resource management and organizational Performance, according to Voorde, et al 2010.

The relationship between HRM and firm performance has been a hotly debated topic over the last two decades, with the great bulk of the primary scientific research coming from the USA and, to a lesser extent, the United Kingdom, says *Boselie and Paul, 2000*. 
In a world in which financial results are measured, a failure to measure human resource policy and practice implementation dooms this to second-class status, oversight, neglect, and potential failure, according to Pfeffer, Jeffrey, 1994.

The assumption underpinning the practice of HRM is that people are the organization’s key resource and organizational performance largely depends on them. If, therefore, an appropriate range of HR policies and processes is developed and implemented effectively, then HR will make a substantial impact on firm performance. Much of the research over the last two decades has attempted to answer two basic questions: ‘Do HR practices make a positive impact on organizational performance?’; ‘If so, how is the impact achieved?’ The second question is the more important one. It is not enough to justify HRM by proving that it is a good thing. What counts is what can be done to ensure that it is a good thing.

Guest et al. modelled the relationship between HRM and performance as shown in Figure below, although there are various stakeholders in an organization, the chief strategic goal of any business is higher financial performance or maximization of wealth for the shareholders.
Competence of the individual is an important factor that decides operational effectiveness in terms of providing quality products and services within a short time. HRM practices such as selection, training, work environment and performance appraisal may enhance the competence of employees for higher performance.

Obviously, human resources rarely have a direct effect on firm performance. This is particularly true when the business logic of HR's effect requires that human resources drive firm performance through its contribution to effective strategy execution. HR professionals (and line managers) need to recognize that effective strategy execution is the basis of shareholder value and that effective strategy execution is a system of intermediate outcomes. Thinking like a strategy manager means recognizing the importance of the causal relationships between HR decisions and these intermediate outcomes that ultimately drive strategic success in organizations Huselid, Mark A., Becker, Brian E., 2005^{25}. 

Figure 1: Relationship of HRM and performance
The practice areas covered by HR strategies that impact on performance are summarized in Table 2.

<table>
<thead>
<tr>
<th>HR Practice Area</th>
<th>How it Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting, developing and retaining high-quality people</td>
<td>Matches people to the strategic and operational needs of the organization. Provides for the acquisition, development and retention of talented employees who can deliver superior performance, productivity, flexibility, innovation and high levels of personal customer service and who ‘fit’ the culture and the strategic requirements of the Organization.</td>
</tr>
<tr>
<td>Talent management</td>
<td>Wins ‘war for talent’ by ensuring that the talented and well-motivated people required by the organization to meet present and future needs are available.</td>
</tr>
<tr>
<td>Working environment – core values, leadership, work- life balance, managing diversity, secure employment</td>
<td>Develops ‘the big idea’, ie a clear vision and a set of integrated values. Makes the organization ‘a great place to work</td>
</tr>
<tr>
<td>Job and work design</td>
<td>Provides individuals with stimulating and interesting work and gives them the autonomy and flexibility to perform their jobs well. Enhances job satisfaction and flexibility, which encourages high performance and productivity</td>
</tr>
<tr>
<td>Learning and development</td>
<td>Enlarges the skill base and develops the levels of competence required in the workforce. Encourages discretionary learning, which happens when individuals actively seek to acquire the knowledge and skills that promote the organization’s objectives. Develops a climate of learning – a growth medium in which self-managed learning as well as coaching, mentoring and training flourish.</td>
</tr>
<tr>
<td>Managing knowledge and intellectual capital</td>
<td>Focuses on both organizational and individual learning and on providing learning opportunities and opportunities to share knowledge in a systematic way. Ensures that vital stocks of knowledge are retained and deals with improving the flow of knowledge, information and learning within the organization.</td>
</tr>
<tr>
<td>Increasing motivation, commitment and role engagement</td>
<td>Encourages people to identify themselves with and act upon the core values of the organization and willingly to contribute to the achievement of</td>
</tr>
</tbody>
</table>
Organizational goals. Develops a climate of cooperation and trust, clarifying the psychological contract.

High-performance Management
Develops a performance culture that encourages high performance in such areas as productivity, quality, levels of customer service, growth, profits and, ultimately, the delivery of increased Shareholder value. Empowers employees to exhibit the discretionary behaviors most closely associated with higher business performance such as risk taking, innovation, knowledge sharing and establishing trust between managers and subordinates.

Reward management
Develops motivation, commitment, job Engagement and discretionary behaviour by valuing and rewarding people in accordance with their contribution.

Table 2: practice areas covered by HR

Aspect for Origin to SHRM

The emergence of term SHRM is outcome of various activities in the field of HRM that highlights the contribution it can make towards business success and its emphasize on HRM to became an integral part of business strategy Hall, Brewster and Jackson, 2007. It is largely concerned with integration of HRM into the business strategy and “adaptation” of HRM at all levels of the organization, according to Guest and Schuler, 1992.

The origin of strategy can be traced in its Military orientation going back to Greek work “Strategos”, for a general who organizes, leads and directs his forces to the most advantageous position, as per Bracker and Cowling et al, 1996. In the world of business, it mainly denotes how top management is leading the organization in particular direction in order to achieve its profits, goals, objectives and overall purpose of society in general in a given context / environment. The main emphasis of strategy is therefore is thus to enable an organization to achieve competitive advantage with its unique capabilities of focusing on its present and future direction of organization Millar and Kay, 1993.
Over the past three decades a lot has been written under SHRM, about nature, process, content and formation of organization Mintzberg and Quinn et al\textsuperscript{30}.

The role of HRM has been changed from last 10 years. So much development has taken place in the field of management with regards to HRM. The debates have been going on in order to properly understand the role of HR managers.

The main issue which engaged academics in the 1980s was the evolution of HRM. In this regard, the debate was mainly on the exploration of the salient aspects of the alteration of personnel management into HRM. The debates started by mingling the industrial relation with HR then combine business strategies with the HR line managers and finally seeing HRM as a source of competitive benefit for organizations. The success of an organization is also depended on the HRM. With these developments the nature of Human Resource (HR) function has changed from being reactive, prescriptive, and administrative to being proactive, descriptive and executive Boxall, 1994\textsuperscript{31}.

Strategic Human Resources Management (SHRM) is the purposeful resolution of Human Resource administration and policy issues so as to enhance a public agency’s effectiveness. Human resources Management gave birth to strategic human resource management. The need of SHRM is required to fill the gap which HRM alone can’t fill it. SHRM enhances the role of manager more clearly and precisely. The factors which give birth to SHRM are:

1. **Recognition that Human Resources are Critical**

   There are companies strategic planning to accomplish its goals and mission. Those mission and goals are important for managers and employees to achieve them and HRM department plays a very important role in accomplishing the company’s target. The emergence of SHRM due to heightened concern for agency productivity and accountability means that better information systems are essential.
2. **A Shift from Position Management to Work and Employees**

Due to political and economic factors the mind of the manager has sifted towards work management. It also because the employee wants flexibility in their workplace and should awarded and need appraisals from his managers. Personnel specialists have continued to demand flexibility and equitable reward allocation through such alterations to classification and pay systems as rank-in-person personnel systems, broad pay banding, and group performance assessment and reward systems. This trend coincides with employee needs for utilization, development, and recognition.

3. **More Innovation**

In the emerging business world, there is an intense competition between every organization. Without innovation no company can survive longer. To bring more improvement the manager should manage it workforce in a manner that it should provide new information and try to implement new things.

4. **Asset Development and Cost Control**

The main function of the company is to reduce the cost of the labor and develop or hire such employees which can benefit the company in the long run. One reason for this increased professionalism and innovation among public personnel managers has been the need to develop and apply two apparently contradictory human resources strategies: policies for "kleenex employees" designed to control costs, and policies for "asset employees" designed to ensure loyalty, participation and development.

1.3 **APPROACHES AND DIMENSIONS**

There are **five approaches** to strategic HRM. *These consist of*

- Resource-based strategy,
- Achieving strategic fit,
- High-performance management,
- High-commitment management
- High-involvement management
a. The Resource-Based Approach

A fundamental aim of resource-based HR strategy, as Barney1991\textsuperscript{32} indicates, is to develop strategic capability--achieving strategic fit between resources and opportunities and obtaining added value from the effective deployment of resources. A resource-based approach will address methods of increasing the firm’s strategic capability by the development of managers and other staff who can think and plan strategically and who understand the key strategic issues.

The resource-based approach is found on the belief that competitive advantage is obtained if a firm can obtain and develop human resources that enable it to learn faster and apply its learning more effectively than its rivals Hamel and Prahlad, 1989\textsuperscript{33}. Human resources are defined by Barney as follows: ‘Human resources include all the experience, knowledge, judgement, risk-taking propensity and wisdom of individuals associated with the firm.’ Kamoche 1996\textsuperscript{34} suggests that: ‘In the resource-based view, the firm is seen as a bundle of tangible and intangible resources and capabilities required for product/market competition.

When the external environment is in a state of flux, the firm’s own resources and capabilities may be a much more stable basis on which to define its identity. Hence, a definition of a business in terms of what it is capable of doing may offer a more durable basis for strategy than a definition based upon the needs (e.g markets) which the business seeks to satisfy.

Unique talents among employees, including superior performance, productivity, flexibility, innovation, and the ability to deliver high levels of personal customer service, are ways in which people provide a critical ingredient in developing an organization’s competitive position. People also provide the key to managing the pivotal interdependencies across functional activities and the important external relationships. It can be argued that one of the clear benefits arising from competitive advantage based on the effective management of people is that such an advantage is hard to imitate. An organization’s HR strategies, policies and practices are a unique blend of processes, procedures, personalities, styles,
capabilities and organizational culture. One of the keys to competitive advantage is the ability to differentiate what the business supplies to its customers from what is supplied by its competitors. Such differentiation can be achieved by having HR strategies that ensure that the firm has higher-quality people than its competitors, by developing and nurturing the intellectual capital possessed by the business and by functioning as a 'learning organization'.

b. Strategic Fit

The HR strategy should be aligned to the business strategy (vertical fit). Better still, HR strategy should be an integral part of the business strategy, contributing to the business planning process as it happens. Vertical integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former and, indeed, helps to define it. Horizontal integration with other aspects of the HR strategy is required so that its different elements fit together. The aim is to achieve a coherent approach to managing people in which the various practices are mutually supportive.

c. High-Performance Management

High-performance management (called in the United States high-performance work systems or practices) aims to make an impact on the performance of the firm through its people in such areas as productivity, quality, levels of customer service, growth, profits and, ultimately, the delivery of increased shareholder value. High-performance management practices include rigorous recruitment and selection procedures, extensive and relevant training and management development activities, incentive pay systems and performance management processes.

A well-known definition of a high-performance work system was produced by the US Department of Labor. The characteristics listed were:

- Careful and extensive systems for recruitment, selection and training;
• Formal systems for sharing information with the individuals who work in the organization;
• Clear job design;
• High-level participation processes;
• monitoring of attitudes;
• Performance appraisals;
• Properly functioning grievance procedures;
• Promotion and compensation schemes that provide for the recognition and financial rewarding of the high-performing members of the workforce.

**d. High-Commitment Management**

One of the defining characteristics of HRM is its emphasis on the importance of enhancing mutual commitment. High-commitment management has been described by Wood (1996)\(^{35}\) as: ‘A form of management which is aimed at eliciting a commitment so that behaviour is primarily self-regulated rather than controlled by sanctions and pressures external to the individual, and relations within the organization are based on high levels of trust.’

The approaches to achieving high commitment as described by Beer et al 1984\(^{36}\) are:

• The development of career ladders and emphasis on trainability and commitment as highly valued characteristics of employees at all levels in the organization;
• A high level of functional flexibility with the abandonment of potentially rigid job descriptions;
• The reduction of hierarchies and the ending of status differentials;
• A heavy reliance on team structure for disseminating information (team briefing), structuring work (team working) and problem solving (improvement groups or quality circles).
e. High-Involvement Management

This approach involves treating employees as partners in the enterprise whose interests are respected and who have a voice on matters that concern them. It is concerned with communication and involvement. The aim is to create a climate in which a continuing dialogue between managers and the members of their teams takes place in order to define expectations and share information on the organization's mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework.

Implications of SHRM Practices for Team Learning

With an aim of strengthening the significance of teamwork, business organizations are adopting the SHRM practices by taking keen interest in integrating teams. In the present scenario, many organizations recognize teams as their key work units, which are the basic drivers for effective functioning and success. It has transformed the orientation of the HR professionals towards the adoption of SHRM practices for the definition of the degree to which team learning and effectiveness are essential to be enhanced. In this concern, cultural diversity has to be adopted within the business operations to manage and lead the people in an organized manner. Cross-cultural dimensions of the functional aspects of HRM are also significant for meeting the emerging requirements of the key workforce Jackson and Seo, 2010^{37}.

SHRM practices are vital for the alignment and integration of the diverse workforce acquired through the expansion of business globally. A blended framework of traditional and discretionary SHRM practices is helpful for the HR professionals in aligning the skills of the employees in accordance with the organizational goals.

SHRM practices comprising of recruitment, selection and training, are aimed at promoting efficiency alignment to establish best fit between the skills and capabilities of the individuals included in teams and requirements of the organization Ijose, 2010^{38}. 
It also aims at encouraging the discretionary performance of the team members by taking into account the employee development and empowerment programs, incentive compensation and career advancement aspects. With the assistance of the adoption of SHRM practices, the skills and professional competence of the employees as a team get developed. It is helpful in addressing the complex nature of the management of people on the basis of the consideration of valuable resource Schuler, 2000.

Some of the external factors that are considered through SHRM policies are industry characteristics, nature of competitors, country/ regional environment and technology. These aspects are helpful in aligning the strategies to manage diverse workforce in terms of the social, cultural and legal norms of the target market.

Some of the internal factors that are emphasized on the basis of SHRM practices are organizational structure. With the assistance of analysis of these factors, business and HR strategy can be formulated and implemented accordingly. SHRM approach has transformed the orientation of the organizations towards the utilization of key workforce for the management of the business transactions at global level. Team learning behaviour acts as the key driver for enhancing team effectiveness on the basis of the SHRM practices. These practices are highly significant in concern to the promotion of team learning to attain positive outcomes in favour of the organizational goals and objectives with respect to the sustenance of adaptable workforce towards change, high level of understanding among employees, accompanied by improved performance. It can be stimulated by seeking feedback, mutual approach to solve problems, sharing of information and promotion of healthy interaction among the team members.

These practices are highly important for the enhancement of the fit between the managers and team members, which has a positive impact on the improvement of the team effectiveness. It contributes towards the engagement of highly skilled and talented workforce that provides productive performance. Through SHRM framework, work practices based on high involvement can be adopted by the HR managers in the global business
environment, which are helpful in enhancing the overall performance of the organization. High involvement can be considered in terms of the defined aspects, such as opportunistic job design, relative framework of skills base and well structure incentive policy Collins and Clark, 2003.0

Dimensions of Strategic Human Resource Management

In addition to focusing on the validity of the matching SHRM model and typologies of HR strategy, researchers have identified a number of important themes associated with the notion of SHRM that are discussed briefly here:

- HR practices and performance
- Re-engineering organizations and work leadership
- Workplace learning
- Trade unions


Although most SHRM models provide no clear focus for any test of the HRM- performance link, the models tend to assume that an alignment between business strategy and HR strategy will improve organizational performance and competitiveness.

During the past decade, demonstrating that there is indeed a positive link between particular sets or ‘bundles’ of HR practices and business performance has become ‘the dominant research issue’ The dominant empirical questions on this topic ask ‘What types of performance data are available to measure the HRM–performance link’ and ‘Do “high-commitment-type” HRM systems produce above-average results compared with “control-type” systems?’ A number of studies have found that, in spite of the methodological challenges, bundles of SHRM practices are positively associated with superior organization performance.

b. Re-Engineering and Strategic Human Resource Management

All normative models of SHRM emphasize the importance of organizational design. As previously discussed, the ‘soft’ HRM model is
concerned with job designs that encourage the vertical and horizontal compression of tasks and greater worker autonomy. The redesign of work organizations has been variously labelled ‘high performing work systems’ (HPWS), ‘business process re-engineering’ and ‘high commitment management’. The literature emphasizes core features of this approach to organizational design and management, including a ‘flattened’ hierarchy, decentralized decision-making to line managers or work teams, ‘enabling’ information technology, ‘strong’ leadership and a set of HR practices that make workers’ behaviour more congruent with the organization’s culture and goals.

c. Leadership and Strategic Human Resource Management

The concept of managerial leadership permeates and structures the theory and practice of work organizations and hence how we understand SHRM. Most definitions of managerial leadership reflect the assumption that it involves a process whereby an individual exerts influence upon others in an organizational context.

The current interest in alternative leadership paradigms variously labelled ‘transformational leadership and charismatic leadership may be explained by understanding the prerequisites of the resource-based SHRM model. Managers are looking for a style of leadership that will develop the firm’s human endowment and, moreover, cultivate commitment, flexibility, innovation and change.

A number of writers e.g. Agashae & Bratton, 2001 make explicit links between learning, leadership and organizational change. It would seem that a key constraint on the development of a resource-based SHRM model is leadership competencies. In essence, popular leadership models extol to followers the need for working beyond the economic contract for the ‘common’ good. In contemporary parlance, the ‘transformational’ leader is empowering workers. To go beyond the rhetoric, however, such popular leadership models shift the focus away from managerial control processes and innate power relationships towards the psychological contract and the individualization of the employment relationship.
d. Workplace Learning and Strategic Human Resource Management

Within most formulations of SHRM, formal and informal work-related learning has come to represent a key lever that can help managers to achieve the substantive HRM goals of commitment, flexibility and quality Beer et al., and Keep, 1989. As such, this growing field of research occupies centre stage in the ‘soft’ resource-based SHRM model. From a managerial perspective, formal and informal learning can, it is argued, strengthen an organization’s ‘core competencies’ and thus act as a lever to sustainable competitive advantage – having the ability to learn faster than one’s competitors is of the essence here Dixon, and Dyer, 1995. There is a growing body of work that has taken a more critical look at workplace learning. Some of these writers, for example, emphasize how workplace learning can strengthen ‘cultural control’ Legge, 1995, strengthen the power of those at the ‘apex of the organization’ Coopey, 1996 and be a source of conflict when linked to productivity or flexibility bargaining and job control Bratton, 2001.

e. Trade Unions and Strategic Human Resource Management

The notion of worker commitment embedded in the HRM model has led writers from both ends of the political spectrum to argue that there is a contradiction between the normative HRM model and trade unions. In the prescriptive management literature, the argument is that the collectivist culture, with its ‘them and us’ attitude, sits uncomfortably with the HRM goal of high employee commitment and the individualization of the employment relationship.

Competencies of Manager for SHRM

To function as a strategic business partner and successfully execute the new critical and challenging responsibilities, to bring about the bottom line, the SHRM professional needs to possess the relevant strategic skills or core competencies. Competency in general term is “a personnel related concept referring to a set of behavioral dimensions of one’s effective performance work”. Competencies are “a cluster of related knowledge, attitudes, and skills, which an individual acquires and uses together, to produce outstanding
performance in any given area of responsibility”. A lack of certain competencies may affect the SHRM in the strategic role in the organization identifies seven strategic skills that can help the manager develop effective strategic plans to handle the emerging challenges in the organization.

1. **Global Operating Skills**

   These skills enable him to understand the issues of globalization and how to do business with individuals of diverse background or nationalities.

2. **Business and Financial Savvy**

   He needs to understand financial reports, business goals, and possess the business acumen necessary to understand and support the function.

3. **Strategic Visioning, Critical Thinking and Problem Solving Skills**

   As a strategic business partner, he needs the skills to take the lead in contributing to strategy, vision, and critical thinking to gain credibility for the HR function.

4. **Ability to Use Information Technology**

   The HR professional must be well grounded in information communication technology (ICT) and leverage this for business results. ICT is the engine that drives the modern organizations to business success and offers them Sustained competitive advantage.

5. **Deep HR Knowledge**

   He needs to be well grounded in the theoretical and practical fundamentals of HR to adequately articulate HR practices. He needs to invest more time and resources for training and development.

6. **Change Management Skills**

   He needs these skills to move the organization to new and more efficient ways of doing business. He needs to show commitment to change management in the organization.
7. **Organizational Effectiveness Skills**

These skills enable him to diagnose the effectiveness of the organization as accurately as possible to portray the current and future state of the organization. He can then monitor and correct inefficiencies.

1. **Business Knowledge**

   Capacity to understand competitive issues impacting the business (e.g., market, products, technology, processes) and to understand how business can create profit and value.

2. **Customer Orientation**

   Ability to viewing issues from the perspective of customers.

3. **Effective Communication**

   The ability to provide both verbal and written information clearly, consistently and persuasively.

4. **Credibility and integrity**

   To walk what you talk, act with integrity in all business transactions and honor personal commitments.

5. **Systemic perspective**

   The ability to view problems and issues in the context of the bigger picture and understand the inter-relationships among sub-components.

6. **Negotiation and conflict resolution skills**

   The capacity to reach agreements and consensus in spite of different goals and priorities.

1.4 **MANAGEMENT INFORMATION SYSTEM AND ITS RELATION WITH SHRM**

   In today’s organizations Human Resource is considered as one of the key resources of business organizations K.P. Tripathi, 2011\(^7\). MIS deals with various operational level; activities like attendance calculations, payrolls, and the operational level activities also include maintaining the employee records.
which is used as a basis for strategic layers. At the same time, organizations need to develop the skills that are necessary to meet the organizational goals are developed in employees the entire round in various HR competencies and policies of the organization. This point is considered during the planning phase and included in the policies devised for meeting goals. Nowadays, the human resource department does much more than just recruiting employees or keeping their records but also mission statements reflect the strategies, goals and the overall approach of companies. The values inherited and the policies devised by firms are based on the mission statements; these statements are the driving forces which motivate the employees to move ahead. However, with the growing importance of human resource management and increasing size of the organizations, maintenance of employee related data and generating appropriate reports are the crucial aspects of any organization. The transaction processing layer of MIS in human resource function deals with routine activities like attendance recording and payroll calculations. As the management is in complete know of everything transpiring in the company, it leverages on this advantageous position of its strong MIS system. Using it, a company is able to record and document all facts pertaining to its procedures and methodologies that help in company’s strategic decisions and future growth.

More and more organizations are adopting computer based human resource management systems (HRMS). The MIS, therefore, is a dynamic concept subject to change, time and again, with a change in the business management process. It continuously interacts with the internal and the external environment of the business and provides a corrective mechanism in the system so that the change needs of information are with effectively. The MIS is defined as an integrated system of man and machine for providing the information to support the operations, the management, and the decision-making function in the organization. The above definition emphasizes an association between MIS and decision-making. Application software that Processes data, which is not used for decision-making, cannot be called an MIS. For instance, a computer-aided design system is not an MIS. An MIS deals with information that is systematically and routinely collected in
accordance with a well defined set of rules. In other words, data collection is a planned activity for which resources are allocated and rules are defined.

MIS merges SHRM as a strategic discipline and in particular its basic HR activities and processes with the information technology field, whereas the programming of data processing systems evolves into standardized routines and packages of (ERP) software, SHRM helps in improving the productivity of employees and utilizes their expertise in meeting the company goals. On the whole, ERP systems have their origin on software that integrates information from different applications and SHRM being part of wider reticulation of corporate strategy.

The linkage of its financial and human resource modules through one database is the most important distinction to the individually and proprietary developed predecessors, which makes this software application both rigid and flexible.

The Human Resource Information Systems is introduced by presenting the various definitions, development, costs and benefits, as well as their functions and relationship with HRM. Furthermore, different software providers and their solutions are presented.

MIS shapes an integration between human resource management (HRM) and Information Technology. Even though these systems may rely on centralized hardware resources operationally, a small group of IS specialists residing within the personnel department increasingly manage, support, and maintain them. MIS support planning, administration, decision-making, and control. The system supports applications such as employee selection and placement, payroll, pension and benefits management, intake and training projections, career-pathing, equity monitoring, and productivity evaluation.

These information systems increase administrative efficiency and produce reports capable of improving decision-making.

In the past decade, organizations have increased their investments in MIS significantly with the expectation that these investments will improve organization performance. However, some organizations continue to be able
to garner better value from MIS than others. This has created a need to better understand the sources of such differences and, consequently, the mechanisms by which MIS contributes to organization performance.

Organizations profitability, from efficient data processing shops to understanding the goals and objectives of an Organization; to participating directly in the decision-making and strategy formulation.

**MIS plays very important role in**

- Simplifying organizations.
- Flattening hierarchies.
- Shifting emphasis on competition to simplification.
- Linking IT with business strategy.

**Information management challenges**

- Large number of disparate information management systems.
- Little integration or coordination between information systems.
- Range of legacy systems requiring upgrading or replacement.
- Direct competition between information management systems.
- No clear strategic direction for the overall technology environment.
- Limited and patchy adoption of existing information systems by staff.
- Poor quality of information, including lack of consistency, duplication, and out-of-date information.
- Little recognition and support of information management by senior management.
- Limited resources for deploying, managing or improving information systems.
- Lack of enterprise-wide definitions for information types and values (no corporate-wide taxonomy).
- Large number of diverse business needs and issues to be addressed.
• Lack of clarity around broader organizational strategies and directions.
• Difficulties in changing working practices and processes of staff.
• Internal politics impacting on the ability to coordinate activities enterprise-wide.

1.5 COMPETENCIES AND MANAGEMENT INFORMATION SYSTEM

Competencies are socially complex routines that determine the efficiency with which organizations transform inputs into outputs. MIS competencies are the routines within the MIS department that enable it to deliver IT services to the organization. MIS competencies can be divided into three categories - foundation competencies, management competencies and portfolio competencies.

A. Foundation Competencies

Foundation competencies are associated with changes in an organization’s MIS architecture and needed for projects involving changes, addition, and replacement of components and interfaces of a work system.

• Integration of MIS and business MIS can be required to integrate business processes and technology in new ways. Changes in business processes may be external, as well as internal.
• IT architecture and infrastructure MIS may require new IT infrastructure. Also, changes in business process may require the system to rethink existing technical components and linkages.
• Technical competencies deploying a technological innovation often call for new technical skills and procedures.
• Technical linkage with business partners A collaborative technology often requires the system to build data linkages to handle transactions with business partners.
• Business competencies In order to gain the expected benefits from a technological innovation, organizations often must change their business process, business models, and organizational structures.
Back office functions, as well as sales, marketing, and customer service operations may need to change.

- External data standards: The ability of the organization to adopt new data standards becomes important when building technical linkages with business partners. If industry data standards are not available, the system may need to develop new standards to support linkages with multiple business partners.

**B. Management Competencies**

Management competencies are needed to build and deploy information systems that must successfully meet the unique requirements of several business organizations.

- Change management: In order to gain the expected benefits, several departments or business partners must substantially change their business process. The system is expected to assist several business organizations in effectively using the technical solution.

- Informed IT sourcing: It means vendor selection and management. Managing technology development and knowledge transfer by vendors is important with complex applications. The technology is considered less valuable if the system does not have a good understanding of the application.

- MIS management: It means system development. Time and cost constraints may not allow the system to craft one-off solutions for several departments or business partners. New MIS management approaches using component assembly, middleware, and rapid prototyping are needed to develop the applications.

- Project management: The system is faced with managing multiple client organizations with complex features for each client. Skills and procedures are needed to ensure that all tasks and issues are addressed for each client.
C. **Portfolio Competencies**

Portfolio competencies related to sets of information systems and needed for the planning and execution of several technology projects.

- Strategic thinking of business and MIS: Business and MIS managers need to improve long-term planning to gain business benefits from several technology initiatives. Strategic thinking is needed for effective alignment of business and technology initiatives over time.

- Building relationships with business areas: Lack of trust between business and MIS managers adversely affects the deployment and use of technological innovations. Relationships are needed to maintain the momentum of business and technology change through a series of technology projects.

- Management of the MIS department: Problems with MIS department planning, staffing, and controlling typically affect several technology initiatives. Also, support for current technologies is often affected.

### 1.6 HRIS AND ITS BENEFITS

**Development of HRIS**

Recent developments in technology have made it possible to create a real-time information-based, self-service, and interactive work environment. Personnel Information Systems have evolved from the automated employee recordkeeping from the 1960s into more complex reporting and decision systems of late.

Today, managers and employees are assuming activities once considered the domain of human resource professionals and administrative personnel. This represents a significant break with the past, but an improvement in overall organizational effectiveness.
Consequently, given the authority and relevant accessible information for decision-making, both managers and employees respond more quickly to changes.

**Definition of HRIS**

Tannenbaum 1990 defines HRIS as a technology-based system used to acquire, store, manipulate, analyze, retrieve, and distribute pertinent information regarding an organization's human resources. Kovach et al., 1999 defined HRIS as a systematic procedure for collecting, storing, maintaining, retrieving, and validating data needed by organization about its human resources, personnel activities, and organization unit characteristics. Furthermore, HRIS shape an integration between human resource management (HRM) and Information Technology. It merges HRM as a discipline and in particular basic HR activities and processes with the information technology field. As is the case with any complex organizational information system, an HRIS is not limited to the computer hardware and software applications that comprise the technical part of the system it also includes the people, policies, procedures, and data required to manage the HR function, as per Hendrickson, 2003.

**Components of HRIS**

Kovach et al., 1999 presented the three major functional components in any HRIS by giving the model below:

**Input Data Maintenance Output**

The Input function enters personnel information into the HRIS. Data entry in the past had been one way, but today, scanning technology permits scanning and storage of actual image off an original document, including signatures and handwritten notes. The maintenance function updates and adds new data to the database after data have been entered into the information system. Moreover, the most visible function of an HRIS is the output generated. According to Kovach et al., 1999, to generate valuable output for computer users, the HRIS have to process that output, make the necessary calculations, and then format the presentation in a way that could
be understood. However, the note of caution is that, while it is easy to think of HR information systems in terms of the hardware and software packages used to implement them and to measure them by the number of workstations, applications or users who log onto the system, the most important elements of HRIS are not the computers, rather, the information. The bottom line of any comprehensive HRIS have to be the information validity, reliability and utility first and the automation of the process second.

Users of HRIS Applications

HRIS meet the needs of a number of organizational stakeholders. Typically, the people in the firm who interact with the HRIS are segmented into three groups:

1. HR professionals,
2. Managers in functional areas (production, marketing, engineering etc.),
3. Employees.

HR professionals rely on the HRIS in fulfilling job functions (regulatory reporting and compliance, compensation analysis, payroll, pension, and profit sharing administration, skill inventory, benefits administration etc.). Thus, for the HR professional there is an increasing reliance on the HRIS to fulfill even the most elementary job tasks. As human capital plays a larger role in competitive advantage, functional managers expect the HRIS to provide functionality to meet the unit’s goals and objectives. Moreover, managers rely on the HRIS’s capabilities to provide superior data collection and analysis, especially for performance appraisal and performance management.

Additionally, it also includes skill testing, assessment and development, résumé processing, recruitment and retention, team and project management, and management development. Finally, the individual employees become end users of many HRIS applications. The increased complexity of employee benefit options and the corresponding need to monitor and modify category selections more frequently has increased the awareness of HRIS functionality among employees. Web-based access and self-service options have
simplified the modification process and enhanced the usability of many benefit options and administration alternative for most employees.

**HRIS Functions**

Functional HRIS must create an information system that enables an assimilation of policies and procedures used to manage the firm's human capital as well as the procedure necessary to operate the computer hardware and software applications. While information technology affects Human Resource (HR) practices HRIS and HRIS administration comprise a distinct supporting function within HR. Some of the HRIS functions include the following:

**Integrating the Technologies of HR**

Is a fact, that developments in Information Technology have dramatically affected traditional HR functions with nearly every HR function (example, compensation, staffing, and training) experiencing some sort of reengineering of its processes. However, this process of change has created significant challenges for HR professionals resulting in the transformation of traditional processes into on-line processes.

**Increased Efficiency**

Rapid computing technology has allowed more transactions to occur with fewer fixed resources. Typical examples are payroll, flexible benefits administration, and health benefits processing. Though technologies of early mainframes provided significant efficiencies in these areas, the difference is that the record processing efficiencies that were once only available to large firms are now readily available to any organization size as per, Ulrich, 2001^51.

**Increased Effectiveness**

Most often, as with processes, computer technology is designed to improve effectiveness either by in terms of the accuracy of information or by using the technology to simplify the process. This is especially the case where large data sets require reconciliation.
However, onerous manual reconciliation processes may be executed faster, but also with near perfect accuracy using automated systems. For instance, pension and profit sharing applications, benefits administration, and employee activities are just to mention but a few. Using computer technology in these processes ensures accurate results and offer substantial simplification and timeliness over manual processing. Consequently, the vast majority of HR functions have had some degree of automation applied in order to gain both efficiency and effectiveness.

**IT-Enabled Processes**

While many of the application areas' gains are through increased effectiveness and efficiency over manual processing, some are only possible using contemporary technologies. Most notably, computer-based (web-based) training is a growing area of HR practice that was not available until computer software was created. Even computer based training was not as practical as it is today because it was geographically dispersed until the training was upgraded from computer-based to web-accessible training.

However, by taking traditional computer-based training programs and making them accessible on the Internet, firms have created a powerful tool to upgrade and assess employee skill sets. Moreover, many other traditional HR functions have evolved Information Technology (IT) -dependent components with the advent of the Internet. Online recruitment centers, along with the ability to conduct virtual interviews, background checks, and personnel tests on-line have dramatically changed those processes, increasing the geographic reach of firms for potential employees.

**Cost and benefit of HRIS**

An HRIS system represents a large investment decision for companies of all sizes. Therefore, a convincing case to persuade decision makers about the HRIS benefits is necessary. The common benefits of HRIS frequently cited in studies included, improved accuracy, the provision of timely and quick access to information, and the saving of costs discussed why the accuracy and timeliness of HRIS is very important in terms of operating, controlling, and
planning activities in HR. Beckers, Bsat 2002\textsuperscript{52} pointed out at least five reasons why companies should use HRIS.

These are:

- Increase competitiveness by improving HR practices
- Produce a greater number and variety of HR operations
- Shift the focus of HR from the processing of transactions to strategic HRM
- Make employees part of HRIS, and
- Reengineer the entire HR function

In their 2002, HRIS survey, Watson Wyatt found that the top four metrics used in formal business cases supporting HRIS were improved productivity within HR organization, cost reductions, return on investment, and enhanced employee communications.

However, companies realize many of these cost reductions and efficiency gains early in the implementation of an HRIS system, so they provide compelling evidence needing to get a project up and running. In fact, the payback period, or the time it takes to recoup the investment, may be as short as one to three years HRIS contribute to cost reductions, quality/customer satisfaction, and innovation. According to Sadri and Chatterjee 2003\textsuperscript{53} computerized HRIS function enable, faster decision making, development, planning, and administration of HR because data is much easier to store, update, classify, and analyze. Moreover, while it may be possible to identify many of the relevant costs (e.g., software and hardware), it is more difficult to quantify the intangible benefits to be derived from an HRIS system. Beyond cost reductions and productivity improvements, HRIS potentially and fundamentally affect revenue channels. However, establishing direct and objective benefits measures is more difficult to achieve.

On the other hand, there are costs associated with HRIS implementation. Moreover, to capitalize on all HR possibilities, workers need to have personal computers and global Internet connections. Some
companies facilitate this by providing employees computer discount programs to encourage home usage. In addition, there is inevitably transition costs associated with moving from traditional HR to an HRIS, including slowdowns, mistakes, and other consequences associated with changing legacy systems to integrate.

Hardware costs for servers and software costs for application programs entail sizeable initial outlays and continuing costs over time as better technology becomes available. While many companies are adopting HRIS systems and extolling their benefits, others are reluctant in embarking on such an expensive and time consuming change. Nevertheless, some firms are adopting less complex forms before attempting to transform their HR departments. However, for those who have already adopted HRIS, many are yet to realize its full benefits.

**Lack of effective MIS hinders SHRM**

Corporate planning to be meaningful in any organizational setting, it must recognize that there exists a set of key factors and problem areas that are crucial to other organization's survival and growth. The same time Organization has to provide a conducive environment to employees for their growth and participate itself in Strategy formulation for the organization. Only dependency on HR data would give no clue to HR Managers for Business and organizational Strategy, effective Business MIS is important for HR function.

The information content of the managerial decision-making process determines the accuracy, suitability, and effectiveness of organizational policies.

It is fairly difficult to recommend an information technology as a panacea for all our developmental problems in the organization; yet in all stages of the organizational development process, information plays a vital role both in propelling the organization to its defined goals and in facilitating adaptation when dramatic changes occur in the circumstances in which goals were conceived Management requires information for policy decisions in the functional areas of personnel administration, accounting, finance, and marketing, etc. Data from the numerous work areas of the organization is
collected and analyzed for such decisions affecting the company's market shares, stock control, profit projections, and various other competitive strategies. In doing this, management requires information about the environment which may not be easily obtainable from the internal information system. The general absence of data and information regarding vital issues of funds utilization, performance reports, and operational projections is causing great concern in various quarters.

Since management information can be defined as an aggregate of processes and procedures that facilitate the collection, verification, analysis, and summarization of data for management decision-making, it is erroneous to think only of management information systems as computer-based. In developing our organizations to accommodate the changes in our environment, we can achieve optimum results by fully utilizing already installed manual and mechanized systems and the services of a computer bureau whenever possible with full utilization of Information all across business activities.

1.8 CONCLUSION

The traditional HRM practices, which are concerned with the management of people in an organization, have contributed significantly to organization bottom line. HRM offers traditional and administrative support services in the organization, in terms of staffing, recruitment, training and development, compensation and benefits. It generally concerned itself with attracting, developing and maintaining effective workforce.

The emergence of SHRM as a paradigm shift generated more value-added core responsibility, and emphasized the need to integrate HR practices with business strategy. SHRM is a strategic business partner model, which strongly beliefs that critical organizational capabilities or performance behaviors are necessary for the attainment of a particular business strategy or goal. SHRM is a more radical and systematic approach to the management of human capital, placing more emphasis on organizational performance rather than individual performance. It is this approach that helps to create a fit or
congruence or integration of HR practices with business strategies that enables the organization to achieve sustained competitive advantage.

The RBV of the firm highlights the strategic position of the human capital, as an organizational asset, that contributes significantly to the overall performance of the organization, when adequate investment is made on the human resources. The HR practices must be properly aligned with the strategic goals of the organization.

To function as a strategic business partner and a change agent, to successfully handle the emerging challenges of SHRM, the HR practitioner must possess the requisite strategic skills and core competencies. The skills and competencies required include among others, being highly knowledgeable about business and its environment, developing a strategic vision, global operating skills, understanding and applying the ICT regime, organizational effectiveness skills, change management skills and ability to understand and manage conflict as well as possess internal consulting.

MIS is an effective and efficient catalyst for integrating human resource management and Information Technology. This was common with all the various definitions of MIS. MIS as a system support HR functional applications such as employee selection and placement, payroll, pension and benefits management, intake and training projections just to mention but a few. The composition of HRIS includes input, maintenance, and output. Input function enters personnel information into the HRIS. The maintenance function updates and adds new data to the database having entered data into the information system. The output is considered the most visible function of an HRIS. HRIS process that output, adjust it in such a way that it is understandable.

The three major groups that make use of MIS are HR professionals, managers in functional areas, and employees. While HR professionals rely on the HRIS in fulfilling job functions, managers rely on the HRIS’s capabilities to provide superior data collection and analysis, especially for performance appraisal and performance management. Individual employees are the end
users of many HRIS applications and complexities of job related issues have augmented the awareness of HRIS functionality among employees.

In addition to MIS's integration function, MIS enable effectiveness and efficiency, and ensure competitiveness among firms. However, along with the benefits are the costs involved in implementing and maintaining these systems. For example, hardware and software cost, time and other related costs. There are many software solution offers; the choice is however dependent on the decision of the user. Consequently, information validity, reliability and utility constitute a comprehensive HRIS, and should always be the pivot for every MIS implementation.

HR system stands to benefit substantially by such maximum usage of available facilities all across the organization where all get advantage of SHRM. Only a few of private industrial organizations and public corporations can be said to have attained the level that justifies a partial computerization of some or all parts of their operations. In others, the manual or mechanized system could, if efficiently managed, satisfy data processing needs for managerial decision-making and further SHRM activities by HR Department.