

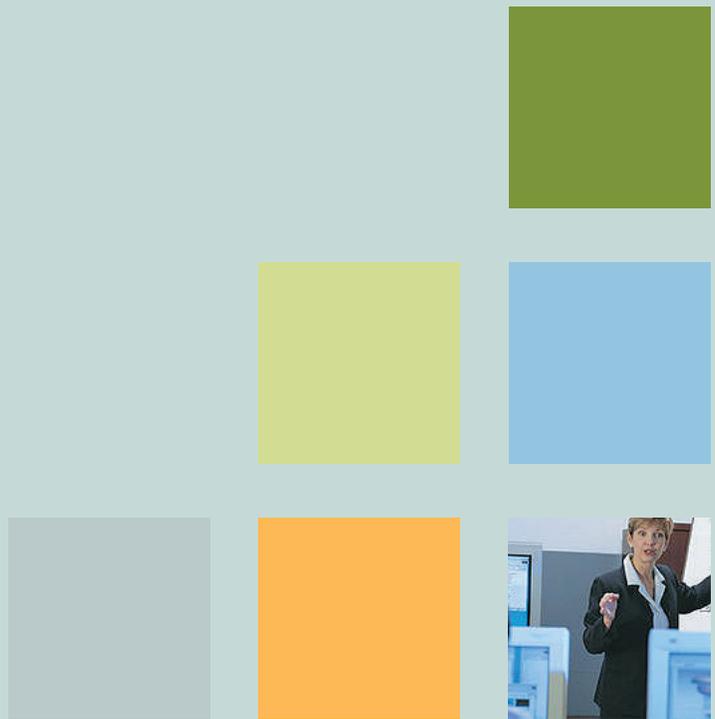
SHRM<sup>TM</sup>

SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

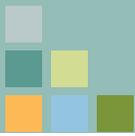
# HR and Organization Strategy

By Steven V. Manderscheid, Ed.D.

Learning Module Instructor's Manual



STRATEGIC  
HR MANAGEMENT



# HR and Organization Strategy

## LEARNING MODULE OUTLINE

Students will learn best practices to create and implement HR and organization strategy. Students will understand the importance and practice of linking individual performance to overarching organizational goals. Finally, students will learn to develop an HR strategy that is linked to the organization's strategy. This module is designed for students at the undergraduate level. It is structured to be taught over four 50-minute periods (200 minutes).

## Learning Objectives

Students will learn...

- Several theoretical perspectives on strategy development, with an emphasis on understanding the perspectives of thought leaders in the field.
- The processes associated with developing HR and organization strategic direction; vision, mission, values and strategic goals.
- Several approaches to assess internal capabilities and external opportunities associated with strategic design.
- To differentiate objectives that strategically position the organization or department and those which improve operational effectiveness.
- To identify best practices to implement HR and organization strategic goals, e.g., link individual efforts through leadership coaching, performance systems, etc.

## Required Text

Rothwell, W. J., & Kazanas, H.C. (2003). *Planning and managing human resources* (2nd ed.). Amherst, MA: Human Resource Development Press.

## Additional Readings

Beer, M., & Eisenstat, R. A. (February 2004). How to have an honest conversation about strategy. *Harvard Business Review*, 82-89.

Manderscheid, S., & Kusy, M. (2004). How to design strategy with no dust—just results! *Organization Development Journal*, 23(2), 63-70.

Pfeffer, J., & Sutton, R. I. (January 2006). Evidence-based Management. *Harvard Business Review*.

Porter, M. (1996). What Is Strategy? *Harvard Business Review*, 74(6), 61-78.

Sull, D. N. (1999). Why good companies go bad. *Harvard Business Review*, 77(4), 42-52.

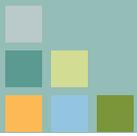
Yearout, S., Miles, G., & Koonce, R. H. (March 2001). Multi-level visioning. *Training & Development*, 55(3), 31-39.

## PowerPoint Slides

There are 43 PowerPoint slides covering the four segments of this Learning Module.

## Classroom Exercise(s)/Activity

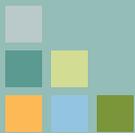
Students will use their own background to work experientially through the strategic planning process from an organization and HR perspective. Each step of the strategic planning process will be explored through the lens of an HR professional.



# HR and Organization Strategy

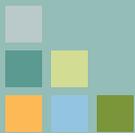
## Module Outline – Instructor Notes

Topic	Instructor Actions	Method & Media	Time
<b>Session One (50 Minutes)</b>			
<b>Introduction</b>	<p>Introduce instructor, students and topic. Review agenda, foundation and the syllabus.</p> <p><b>Agenda</b> – Explain that the curriculum will demonstrate that organization change is inevitable and that HR must have the strategic skills to help organizations succeed. Emphasize that the curriculum will be focused on HR’s role in the strategic planning process of organizations.</p> <p><b>Foundation</b> – The content of this course is not meant to be prescriptive. Students must take what they learn from the readings, discussions and assignments and put it into practice in a way that works best for them. Ask students why they believe a course in strategy is important for HR professionals. Field responses and explain that HR must understand strategy to align their efforts with the future direction of the organization. When HR is aligned with future direction, they are more likely to show their value to the business.</p> <p><b>Syllabus</b> – Clearly explain the assignments. Students must understand assignments (e.g., interview) at the outset. These assignments require planning to ensure they are thoroughly completed.</p>	PowerPoint Slides 1-6	20 min.



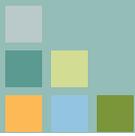
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Topic	Instructor Actions	Method & Media	Time
<p><b>Organization Change Environmental Adaptation</b></p>	<p>Display slide. Working in groups of 3-4 students, ask students to identify five changes in the professional world in the past five years. Ask students to highlight one positive and one negative implication of each change. The instructor should capture insights on a flipchart and debrief comments. When debriefing the exercise, emphasize the importance of recognizing the need for strategic change in organizations in general and HR specifically. Possible changes to emphasize:</p> <ul style="list-style-type: none"> <li>• Global competition/outsourcing.</li> <li>• Multiple generations at work.</li> <li>• Increasing benefits costs.</li> <li>• Flexible work schedules.</li> <li>• Communication technology.</li> </ul> <p>Debrief questions and possible responses:</p> <ul style="list-style-type: none"> <li>• What does this activity tell us about organizations?</li> <li>• The workplace is changing rapidly and that trend will likely continue. Employers must adapt to these changes to be successful.</li> <li>• What does this activity tell us about HR's role in organizations?</li> </ul> <p>HR plays a significant role in helping organizations adapt to shifts in the external environment. For example, HR must recognize trends in the HR field (e.g., flexible workplace options); understand how those trends influence business (i.e., recruitment of the best and brightest); and facilitate change to ensure the organization maintains its competitive edge.</p> <p>Ask for additional insights from the group and facilitate further discussion.</p>	<p>PPT Slide 7 &amp; Flipchart</p>	<p>15 min.</p>
<p><b>Strategic HR – Strategy Alignment</b></p>	<p>Display slide and share the definitions provided. Guide the conversation and discuss HR's influence within the context of organizations (for example, HR's participation in strategic planning, being part of important decision-making, etc.).</p> <p><b>Ask students:</b> From an HR standpoint, what does it mean to be strategic? Ask students to share their experiences related to this topic.</p> <p>Next, ask the question: Do HR professionals have strategic influence in your organization? If not, why not? If so, share an example.</p> <p>Display the next slide and review the roles HR might play as it relates to strategy. Ask students for their general reaction. Ask them if they have played any of these roles. Ask students if they would add any additional roles. Explain that HR has a specialized role regarding strategy.</p>	<p>PPT Slides 8 - 10 &amp; Discussion</p>	<p>15 min</p>



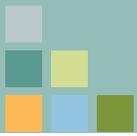
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Topic	Instructor Actions	Method & Media	Time
<b>Session Two (50 Minutes)</b>			
<p>HR Strategic Competencies and Strategic Alignment</p>	<p>Before starting this session, summarize the content covered in Session One. Explain that in this session, students will learn about the dynamic nature of business and how HR plays a role in an organization’s success. This session will talk more specifically about the skills HR professionals need to develop. Display the next slide and ask students to list characteristics of HR professionals they believe are strategic in how they approach their work. Optional: In groups of 3-4 students, ask students to share their experiences and develop a list of common themes or competencies that emerge from their conversations.</p> <p>Emphasize that students can rely on direct HR experience or indirect experience (the later meaning their observation of HR within the context of organizations). Display the next slide and share a broad construct of strategic HR competencies. Ask for student reactions.</p> <p>Facilitate a conversation about how HR professionals can develop competencies and ensure they have a voice in the strategic direction of the organization.</p> <p>Explain that competencies can be developed in the following ways: Work experience; coaching and mentoring; classes (like this one), etc.</p> <p>Optional: Show a video called “HR heroes: What it means to be a strategic HR leader in the 21st Century” (SHRM Foundation video).</p> <p>Note: The sections in this video most applicable to the learning objectives of this module are ‘HR Heroes’ and ‘HR in Sync’. If these sections are used, the instructor should select discussion questions from page 5 in the associated discussion guide. The instructor should preview the videos and decide which clips and discussion questions to use. The time needed for the videos will depend on the clips and discussions selected.</p> <p>Optional: Show a video called “HR in alignment: The link to business results” (SHRM Foundation video).</p> <p>Note: The video sections ‘Understanding the Strategic Planning Framework’ and ‘Case Study – Sysco Corporation’ are most applicable to this module. If these clips are used, the instructor should select discussion questions from page 11 in the associated discussion guide.</p>	<p>PPT Slides 11 - 13 &amp; Discussion Optional: Videos (one slide)</p>	<p>10 min.</p>
<p>HR Leadership</p>	<p>Display slides and ask students: What is the difference between HR leadership and management?</p> <p>Encourage responses and explain that leadership is about facilitating change and management is about keeping things in order. Share formal definitions of each and explain that strategic planning is most reliant on leadership and partially reliant on management. Facilitating strategic change requires leadership—HR leadership, sales leadership, operational leadership, etc. Strategic planning is about change; organizations need change leaders at all levels to make strategic decisions and deliver the plan.</p>	<p>PPT Slides 14 -17</p>	<p>10 min.</p>



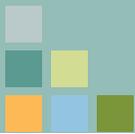
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Topic	Instructor Actions	Method & Media	Time
<p><b>Consensus Decision-making</b></p>	<p>Explain that strategic management requires decision-making and a commitment to follow-through on the part of many. Share your perspective on involvement and how involvement can create ownership, commitment and enhance the quality of decisions during the strategic management process. Involvement can include HR staff members, internal customers, key executives, etc.</p> <p>Ask students to define consensus.</p> <p>What is consensus? Why is consensus an important preface to a discussion on how to formulate and execute strategy?</p> <p>Students may define consensus as “majority agreement” or “100 percent agreement,” etc. Provide a clear definition of consensus and explain the importance of working toward consensus during the strategic formation process. Explain that consensus is not only a process, but also an outcome. Finding consensus increases the likelihood that people will own strategic change initiatives and commit to work on them.</p>	<p>PPT Slides 18 and 19 &amp; discussion</p>	<p>10 min.</p>
<p><b>Strategy Management &amp; Planning</b></p>	<p>Ask students: What is strategic planning? Why should HR professionals be concerned with strategic planning?</p> <p>Students may say that it is difficult—if not impossible—to plan HR initiatives without understanding what the organization is trying to achieve. The processes for HR and organization strategic planning are similar. That is why it is important to understand the strategic planning process. Provide a definition and framework for understanding the strategic planning process and include the various steps, from strategic formation to implementation.</p> <p>Explain the difference between strategic positioning and operational effectiveness, and how these relate to the strategic formation process just as it relates to HR and the rest of the organization. Emphasize to students that employers (including HR) must ensure that the organization is working on initiatives to serve the organization from both constructs.</p> <p>Ask students for their reactions to the active inertia article. Discuss how HR can avoid falling into the trap of active inertia. Students should be able to respond to this if they have done the reading. You may need to ask them to revisit the assignment and identify specific concepts that relate to HR.</p> <p>Note: Reference the four constructs on page 45 of the associated article and ask students to comment on each as they may or may not relate to HR.</p> <p><b>Overarching question:</b> Can an HR organization be overcome by active inertia? Based on your experience, what are some things an organization can do to avoid this trap?</p>	<p>PPT Slides 20 - 22 &amp; discussion</p>	<p>20 min.</p>



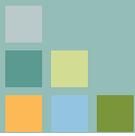
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Topic	Instructor Actions	Method & Media	Time
<b>Session Three (50 Minutes)</b>			
<p><b>Vision, Mission and Values</b></p>	<p>Review the later part of Session Two about providing a foundation for strategic planning. This session reviews the most common steps in the strategic planning process.</p> <p>Define vision, mission and values and provide examples to help illustrate the differences. Provide examples of how HR must support and mirror these constructs in their own department to ensure they are aligned with the organization.</p> <p>Note: An organization can have articulated vision, mission and values. An HR department should have a vision, mission and values that are in alignment.</p> <p>Ask the following questions to help differentiate the concepts.</p> <p><b>Vision</b>            What do you want your HR organization to look like in the future?            Example: Our vision is to be recognized as the most progressive and strategic HR organization in our industry by 2011.</p> <p><b>Mission</b>            What is the purpose of your HR organization?            Example (From the SHRM web site's Knowledge Center Sample Mission Statements): Our mission is to treat each person as a valued customer while contributing positively to the bottom line of [the organization] through comprehensive programming that displays a thorough understanding of all aspects of the human resource profession, including proactive involvement in areas of legal compliance, and service that displays an enthusiastic interest in the lives of others.</p> <p><b>Values</b>            What are your enduring values as they exist today? What are your aspired values? Do your enduring values need to change?            Example: Customer-focused; act with integrity; responsiveness.</p> <p>Ask students to develop vision, mission and values statements for an HR organization. You may want to ask one or two groups to work on vision, another one or two to work on mission and so on. Ask each group to share their results. Make comments and corrections as necessary when they are sharing their work.</p>	<p>PPT Slides 23 - 31 &amp; discussion</p>	<p>20 min.</p>



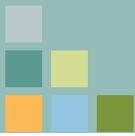
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<p><b>SWOT Analysis</b></p>	<p>Explain a SWOT analysis, including its purpose, process and payoffs.</p> <p><b>Purpose</b> To solicit feedback from many stakeholders on the strengths, weaknesses, opportunities and threats to the organization. This information will be used in subsequent planning.</p> <p><b>Process</b> Ask multiple stakeholders from inside and outside the organization to share their opinions. A process facilitator can collect this information through a survey or in a group forum.</p> <p><b>Payoffs</b> If facilitated properly, the organization will have a good foundation to develop specific goals and action plans. Define each element of the SWOT acronym:</p> <p><b>Strengths</b> Where does your organization currently excel?</p> <p><b>Weaknesses</b> Where does your organization need improvement?</p> <p><b>Opportunities</b> Where could your organization benefit from focusing their efforts?</p> <p><b>Threats</b> What immediate threats are apparent in your internal and/or external environment?</p> <p>A SWOT analysis should be developed with input from multiple stakeholders. For example, if you are conducting a SWOT for an HR organization, you should solicit insights from all department members, vendors, internal customers, senior leadership, etc.</p> <p>Ask students to complete two SWOT analysis worksheets on their past or current organization. One SWOT should be at the organization level and the other should be at the HR department level.</p> <p>This can be an in-class assignment or a written assignment.</p>	<p>PPT Slides 32 and 33, individual work, &amp; group discussion</p>	<p>20 min.</p>
<p><b>Key Focus Areas</b></p>	<p>Define the concept of Key Focus Areas and explain that this is where an HR organization must ensure that their efforts align with the organization's strategic direction. In addition, explain that SWOT analysis data should be used to define Key Focus Areas.</p> <p>Each key focus area can have multiple objectives and subsequent action plans. To that end, it is wise to have a maximum of four to six key focus areas. Solicit examples from the class and provide some examples of your own, such as talent management and succession planning, outsourcing, compensation, etc.</p> <p>Ask students to identify some preliminary HR Key Focus Areas based on their SWOT analysis. Students should understand that Key Focus Areas emerge from the SWOT analysis and any other assessments (market data, internal surveys, etc.) available.</p>	<p>PPT Slides 34 and 35 &amp; individual work</p>	<p>10 min.</p>



# HR and Organization Strategy

Topic	Instructor Actions	Method & Media	Time
<b>Session Four (50 Minutes)</b>			
<p><b>Strategic Goals</b></p>	<p>Review key concepts from Session Three and explain that the next step in the strategic process is to make the Key Focus Areas actionable. This is done by developing SMARTS goals.</p> <p>This session defines SMARTS goals, provides examples and gives students an opportunity to practice writing them.</p> <p>SMARTS goals flow from identified Key Focus Areas. Each key focus area may have several SMARTS goals.</p> <p>The slides should provide ample information to help the instructor lead a discussion on this concept.</p> <p>After reviewing the examples on the slides, ask students to develop two SMARTS goals they believe may be associated with an HR strategic plan. These can emerge from the Key Focus Areas mentioned earlier. Ask students to share their examples and then have the class critique them based on the SMARTS criteria.</p>	<p>PPT Slides 36 - 38 and student practice</p>	<p>30 min.</p>



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<p><b>Communication, Implementation &amp; Best Practices</b></p>	<p>Explain that after a strategic plan is developed, it should first be communicated and then implemented. This is the most difficult part of the strategic planning process. Reference the work of Manderscheid and Kusy (2005) and facilitate a conversation on strategies for implementation.</p> <p><b>Steps to effectively communicate an organization’s strategic plan:</b></p> <p>1) Increase the capacity of leaders to communicate the plan and manage performance.</p> <p>HR and leaders/managers throughout the organization must understand strategic direction; effectively communicate direction; and hold people accountable through a performance management system.</p> <p>2) Assign ownership of key focus areas and goals.</p> <p>These (inside or outside HR) owners serve as a guiding coalition to implement the plan. They must be well-respected, knowledgeable and trusted individuals.</p> <p>3) Establish interim debrief sessions with owners and measure the progress.</p> <p>Schedule follow-up sessions to review progress, discuss barriers and celebrate short-term wins. These steps are paramount to sustaining momentum.</p> <p>4) Acknowledge and make success visible. Making success visible means keeping score.</p> <p>People want to know their efforts are being recognized. People need feedback.</p> <p>5) Link strategic goals and values to performance management systems.</p> <p>Assuming the performance management system is working as it should, employees should be held accountable for individual goals and specific behaviors aligned with HR’s strategic goals.</p> <p>Review “best practices” in communicating strategy and linking strategic goals to individual contributors through the organization’s performance management system.</p> <p>Reference the work of Mintzberg and explain the concept of emergent and intended strategies.</p> <p>Explain that when a strategic plan is formulated, the organization intends to move forward with the plan. These initial goals are “intended goals”. Strategists must realize that the environment changes rapidly (refer to the earlier discussion on change). Therefore, strategists should be aware of the potential need to adjust plans and implement “emergent goals” as the organization implements their strategic plans in a changing environment.</p> <p>Closing - If time permits, ask students to share what they learned from the class. Thank students for their active engagement and make additional comments as necessary.</p>	<p>PPT Slides 39 - 41 and discussion</p>	<p>20 min.</p>