

## **Strategic Human Resource Management (SHRM) and it's Importance.**

It was thought that HR was in danger of being demoted to a position distinct from those that are integrated into core business objectives in recent decades, especially in the digital era. Additionally, the complexity of operations and rapidly evolving workplace norms forced HR leaders to concentrate on playing a significant role in boosting workplace productivity to give the companies an advantage in the market. In this situation, the idea of strategic human resource management (SHRM) is relevant. It is a cutting-edge method of managing human resources that stands out from standard HR procedures used by businesses.

The process of managing human resources known as strategic human resource management (SHRM) connects the workforce to an organization's primary strategies, objectives, and goals that includes:

- establishing procedures that promote adaptability and give the organization a competitive edge
- establishing the organization's culture
- ensuring superior performance in the workplace

Since SHRM is essentially a modern approach to human resource management, the HR division must be crucial to its success. To actively participate in developing and implementing company policies, HR managers need to gain a deeper understanding of SHRM.

Hiring, training, and rewarding the workforce for their performance are just a few of the many tasks that can be integrated with strategic HR management. The SHRM approach identifies ways for HR staff to directly and positively contribute to the expansion of the business. Every employee's growth and retention must be addressed in a strategic plan that is aligned with the long-term objectives of the company.

Companies that use strategic human resource management principles don't have HR as a department that is distinct from other verticals like IT, operations, or marketing, in contrast to a conventional system. Instead, they collaborate with other departments to establish a comprehension of their objectives. This facilitates the development of strategies that are in line with the company's overall goals and objectives. The human resources department, which was previously only responsible for hiring and paying employees, is now a critical enabler of the company's growth thanks to such integrated HR management. Additionally, strategic human resource management places a strong emphasis on maximizing opportunities and talent within the department for the benefit of other departments.

Businesses that encourage teamwork and coordinated effort toward common goals succeed more quickly. The actions that will add value to the company can be identified by analyzing employees using strategic HR practices. If a company's HR staff lacks knowledge of strategic human resource management, they can enroll in online HR courses to better understand the ideas and put them into practice within the company. Applying strategic human resource management to any business has a number of advantages. These consist of:

- higher job satisfaction

- a better work environment
- increased customer satisfaction rates
- efficient management of resources
- a proactive strategy for personnel management
- increased productivity

However, the business leader(s) and HR head should be on the same page in order to implement SHRM effectively; otherwise, there may be a number of challenges, including:

- Issues involving different cultures and a lack of participation from stakeholders
- global business operations causing disconnect
- Business leadership shifts in M&A-related companies
- alterations in the business climate, such as the pandemic
- Utilized technology has changed.

The main goals of strategic HRM are to address issues like organizational culture, hierarchy, operational effectiveness, resource-role matching, and performance issues. Five main goals should be the focus of SHRM strategies:

- **Resource-based Strategy:** Emphasizes strengthening the organization's strategic capabilities.
- Improved commitment between managers and their staff is achieved through high commitment management.
- Integrating human and material resources using a lean, highly ROI-focused operational model to achieve strategic fit
- **High Involvement Management:** Treating staff members like stakeholders and empowering them.
- **High-Performance Management:** Improving business performance through increased employee productivity, growth, and profitability.

Strategic human resource management has become crucial for every business, regardless of the sector or industry you mention. It is not something that is exclusive to large businesses or firms with a large workforce. In fact, when a company is focused on scaling from the beginning, SHRM principles can accelerate growth. After that, let's look at what the goals of this contemporary approach to HR are.