Integrating HRD with Organization Strategy as a Precursor to Strategic Management*: A Review*

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Abstract

To cater to the ever-increasing need for strategically steering the organisation's managerial practices into strategic management, the most effective way is to integrate the HRD policy and practices with organisational strategy while aligning them with global-arching human resource management. Organisations in both public and private sectors require a critical group of positive factors concerning effective management of human resources to successfully execute their organization strategies and goals. It involves the analysis of a myriad of internal and external environmental factors contingent to the organisation, followed by a strategic approach to influencing key stakeholders and the formulation of strategic HRD policies and plans in parallel with the organisation's business strategy. Drawing from the few key research works available, this article explores the need for integrating the HRD policy and practices with the organisational strategy and assesses the process of integration, so that it warrantees that the organization effectively exercise Strategic Management. Having discussed implications of HRD-Organization strategy integration practices, the article concludes that the organisations should make their HRD function more strategic in nature.

Key words: *Human Resource Development (HRD), Strategic Management (SM), Strategic Human Resource Management (SHRM), Strategic Human Resource Development (SHRD), Business Environmental Factors (BEFs)*

Article type: *Conceptual/Review Paper*

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Introduction

Need for human resources developed to meet the organisation's needs in the rapidly changing environment is more imperative than ever, as HRD is a process for developing and unleashing human expertise development for the purpose of improving performance, in an organisation, through organization development (OD) and personnel training and development (T&D) (Swanson and Holton III, 2001) and career development (McLagan (1989). Therefore, in the rapidly changing environment, organisations have increasingly adopted the management practice of formulating and implementing long-term organization strategies to *proactively* addressing the external *environmental changes* by *integrating* all functional strategies (including those of HRM) into the overall organization strategy (Sthapit, 2008). It is all how *Strategic Management* comes into real-life action (Ibid).

With the emergence of strategic management in modern organisations, there is an ever-increasing need for strategically steering their (organisations') managerial practices into strategic management. The most effective way is to integrate the HRD policy and practices with organisational strategy while aligning it with global-arching human resource management (HRM). Integrating the HRD policy with the organisational strategy comes as a precursor to the effective execution of Strategic Management. Organisations in both public and private sectors require a critical group of positive factors concerning effective management of human resources to successfully execute their organization strategies and goals. It involves the analysis of a myriad of internal and external environmental factors contingent to the organisation, followed by a strategic approach to influencing key stakeholders and the formulation of strategic HRD policies and planes in parallel with the organisation's business strategy (O'Donnell & Garavan, 1997).

Research Issue and Objectives

The fact that organisations are increasingly becoming open to business environmental factors (BEFs) has required them to adapt their management practices to the environmental changes. In their formulating

and executing strategies so as to address the BEF changes, the management executives are required to develop their human resources' competence, skills and adaptability to environmental changes.

Today's business environment requires that HRD not only support the business strategies of organisations, but assume a pivotal role in the shaping of business strategy (Torraco and Swanson, 1995). Business success increasingly hinges on an organisation's ability to use employee expertise as a factor in the shaping of its strategy (Ibid). It highlights the strategic roles of HRD in the organization that lie in integrating the HRD policy and practices with the organization strategy as a precursor to the Strategic Management. Tseng and McLean (2008) argued that HRD's integration with organizational mission, goals and strategies, *inter alia*; help the organization achieve all HRD outcomes that have a 'developmental effect' on the organization.

Thus, the present article aims at addressing two-pronged issues or objectives:

- ➢ To assess the context and value of integrating the HRD policy and practices with the organization strategy
- ➢ To discuss the methods of integrating the HRD with the organization strategy for practising strategic HRD in the organization

Methodology

The study basically has made use of review of related literature as well as its analysis, and synthesis. The method used for the literature search involved accessing scholarly literature available in the printed form as well as through electronic databases[2] — mostly those acceptable and popular in the contemporary Management studies. It has applied the '*keyword and key-phrase search*' technique for collecting sought information.

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[2] Online databases included electronic journals JSTOR, Emerald, InterScience/Wiley, SSRN, Catchword, and ScienceDirect as well as those on general Google Scholar and Google.

These research articles and papers were subsequently screened according to relevance for the study purpose. Only articles, with explicit reference to HRD and organization strategy interlink or integration, were considered. The articles that resulted from these screenings were examined in detail and given the small number of relevant articles; each was reviewed in some detail as the basis of this literature review.

Limitations

It is acknowledged that the article contains limitations, for a number of reasons.

One, the study is based on research that examines the notion of integrating HRD and organization strategy labeled as such. It might not include some specific aspects of involuntarily integrated HRD-organization strategy that the methodology—mostly based on electronic searches— has failed to recognise. Such write-ups implicitly describing the integration aspect could remain beyond the purview of the study.

A further limitation is acknowledged for not empirically testing the HRD-organization strategy-interlink and integration, as only literature on the topic has been reviewed. These limitations would indicate the areas that HRD researchers, scholars and practitioners are required to incorporate in their future research works.

Discussions

Slotte *et al.* (2004) described HRD as "covering functions related primarily to training, career development, organizational development and research and development in addition to other organisational Human Resource functions where these are intended to foster learning capacity at all levels of the organisation, to integrate learning culture into its overall business strategy and to promote the organisations efforts to achieve high quality performance." Garavan (1991) identified HRD's integration with organisational missions and goals as one of the nine key characteristics of Strategic HRD (SHRD) by justifying it as "contribution to corporate goals, and an awareness of the mission of the organisation." Beer and Spector (1989, p. 25) also stated that HRD can only be strategic if it is

incorporated into the overall organizational/corporate business strategy (McCracken and Wallace, 2000).

Wognum (1998) described as "strategic HRD aligning" the process of developing HRD goals and objectives that are aligned and linked with company organization strategy. Garavan et al. (1998) also stressed that HRD is viewed as a strategic lever in organizations because it is seen as a means of helping the organization to implement its business strategies. It points towards "vertical integration," as described by Guest (1987) and Storey (1992) in the organization (McCracken and Wallace, 2000). Clearly, this integration or 'fit' is vital, but it echoes the matching model of HRM (Devanna et al., 1984) in suggesting a responsive and reactive role for SHRD.

Role and Context of HRD in Management

The role of HRD needs to be more proactive at the real heart of SHRD: moving away from a strategy supporting and implementing role, towards a role in which SHRD helps to shape and influence organizational strategy. Torraco and Swanson (1995) suggested that where an emergent strategy is dominant (for instance in organizations where there are frequent technical innovations), then HRD's role is not 'simply supporting the strategy' but shaping the goals and strategy.

While some authors have advocated for HRD's participation in strategy *formulation*, (Provo, Lynham, Ruona & Miller, 1998; Swanson, 1999), Rummler and Brache (1995) have further suggested that HRD professionals have a role in strategy *implementation*.

Swanson (2000a) showed concern for aligning the HRD activity with organizational strategy, and suggested that, whilst this supporting role is important, HRD offers even greater strategic value as a major force in the shaping of business strategy' (Swanson, 2000a, p. 204).

Mintzberg (1978) and Mintzberg and Waters (1985) put forward a similar model, both as an implementation tool in relation to corporate/ organizational strategy, where strategy is deliberate, and as a formation (formulation) tool, where it is emergent.

Lee (1996a), using a model of training maturity[3] originally proposed by Burgoyne (1986) in relation to management development, suggested that in strategically mature organizations, SHRD resides in a proactive role at the top of the scale:

- training and learning are processes through which strategy is formulated;
- training and learning possibilities help to shape strategy;
- training is the means for implementing corporate strategy and achieving change;
- training integrated with operational management;
- isolated tactical training; and
- no systematic training (Lee, 1996a)

Integration with organizational missions and goals, as suggested by Garavan (1991) and O'Donnell and Garavan (1997), therefore, advises an implementation role for HRD, but truly strategic HRD should also shape and influence these missions and goals (Legnick-Hall and Legnick-Hall, 1988; Butler, 1988). In such organizations, Lee (1996b, p. 32) suggested that, "HRD departments should be so close to the business they serve that you can't see the join". As will be seen, these crucial issues are problematic and difficult to pinpoint empirically, but are central to any discussion of SHRD [McCracken and Wallace, 2000].

Integrating HRD with Organization Strategy/ Goals

Garavan (1991) argued that if the HRD function is to be strategic, it must align itself to the organization strategy/ goals and structure. He outlined a tentative representation, based on empirical evidence, of the possible relationships between organization strategy, structure and HRD strategies.

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[3]In this work, the concept of training maturity is used to describe the level of sophistication of the organization with regards training and the extent to which training helps to shape and formulate (or form) corporate/ organization strategy.

Hussey (1985) argued that all organizations should start with strategy and make the training plan in accordance with it: that is, corporate strategy should be the starting point for all organizational training and development. He came to this conclusion based on empirical research into management education and training in some of the largest business organizations in the UK (O'Donnell and Garavan, 1997).

Hussey (1985) found that only one-third of the organizations surveyed saw the need to link management training directly to corporate objectives; 39 per cent believed that management training should follow a general pattern of specific skills training for managers at different levels; 19 per cent believed that training should be directed at individual rather than corporate needs, while 10 per cent used training as a basis for promotion. Even within the one-third who saw the link, most replied in a general rather than a specific sense, and a much smaller number linked their activities with strategy. Hussey referred to the perceptual boundaries afflicting British managers, and advocated the use of new techniques and analyses to shift and reassess these boundaries. The derisory level of management training in the UK has also been highlighted by Scase and Goffee (1989) and the Galvin Report (1988) in Ireland reached similar dismal conclusions.

Leicester (1988) then set out to investigate the nature of the link between corporate success and training and development (HRD) provision. The responses of 70 top managers in large private and public organizations were analysed in attempting to identify how training and development could be used to ensure some form of continuous employee development. In addition, he investigated how such a policy might be implemented and what its key components would be. The results of this research were then fed back to the managers involved and conclusions were agreed. The key point to emerge was the existence of a crucial link between 'employee development or HRD' and 'corporate organization strategy,' the determining factor being the quality of HRM.

Hence, Leicester (1988) argued that there is a direct relationship between the quality of HRM, employee development (HRD) and corporate success; and emphasised on a system that is demand-driven by

the goals of the organization leading to job-centred training and employee development (HRD) directly linked to these organization-goals.

Leicester suggested three human resource means by which this strategy might be implemented: first, through performance appraisal; second, through the development of employees' learning potential; and third, through balancing HRD (training) for tasks with training for the development of the individual employee as a whole. In the process study has the emphasized the line manager's key role.

Leicester's emphasis on skills is echoed by Hayton (1990) in Australia. Hayton stressed the importance of skills audits in linking individual skills to organization strategy in a changed environment. One of the key problems associated with traditional training needs analysis (TNA) is that skills analysis and HRD/training are not linked with the organization's goals and strategies (Hayton, 1990).

Garavan *et al.* (1995, p. 541) reinforced Hayton's work in stating that "…the critical test of competencies may lie in the capacity of organizations to develop and apply them in ways appropriate to their contextual environment."

The Centre for Corporate Strategy and Change at Warwick University of the UK, among others, conducted research on the relationship between corporate strategy and training (Hendry, 1991; Hendry *et al.,* 1991; Pettigrew, 1990; Pettigrew *et al.,* 1989). This research demonstrated that the relationship is not a simple one, and that no one single factor explains why companies train or do not train.

They developed a broad-based model of the training system and of the factors which affect it. The five main areas of this model relate to *the business strategy, the external labour market, internal labour market needs, internal actors and systems,* and *external support for training*. Hendry (1991, p. 107) argued that the necessary condition for increasing company attention to training is likely to be the business response to environmental pressure, which will involve the accumulation of a "critical mass of positive or supporting factors".

Based on this research, he argued that training activities are better sustained within a broader HRD and HRM framework. This requires the

mobilization of a large number of positive factors and neutralization of negative ones. He suggested that "competitiveness or 'effectiveness in the face of environmental complexity and challenge' is more of an organizational attribute, to which training alone is an inadequate response" (Hendry, 1991, p. 107). He clearly stressed the importance of a range of HRM activities and of more generalized HRD processes. This was echoed by Garavan (1991) who noted the necessity of having a set of complementary HRM activities in place to service the employment or psychological contract. He cited Keep (1989) in arguing that "strategic training and development activities are central to the reality of anything that can meaningfully be described as human resource management" (Garavan, 1991, p. 25).

Hendry further advocated the adoption of a combination of "hard and soft" criterion evaluation-measures. This linked to Gunnigle's (1991) ideas on personnel (HRM) policy choice. "Soft" HRM tends to focus on core sections of the workforce and views employees as a resource, whereas in "Hard" HRM/ personnel policy is driven by business strategy.

Garavan (1991) cited the work of Johnson and Scholes (1988) in advocating the use of three categories of evaluation criteria, namely criteria of suitability, feasibility and acceptability. Suitability will determine the fit with the organization's goals; feasibility can assess the practicality of HRD plans and policies; and acceptability requires an analysis of the overall organizational mind-set and cultural web.

The importance of strategic change, as distinct from the process of strategic planning, is emphasized by Hendry (1991) as is the situation-specific, reactive, short-term focus of much present-day decision making as it relates to training and development.

The Warwick studies provided a useful framework which should form part of the analytical tool-kit of any effective HRD specialist.

It is particularly useful in the assessment stage of the "present state" of an organization's HRD function. It conforms to an open-systems' view of organization and the variables within the "internal actors and systems" are highly relevant to this exploration.

These are:

- top management commitment, training champions and a training philosophy;
- a developed training organization and systems, exhibiting a positive image;
- line management responsibility for resources and performance;
- mechanisms to relieve line management of budgetary and time constraints; and
- trade union involvement (or lack of, as the case may be).

External Environment and Factors Driving HRD Practices

Need for human resources developed to meet the organisation's needs in the rapidly changing environment is more imperative than ever, as HRD is a process for developing and unleashing human expertise development for the purpose of improving performance, in an organisation, through organization development (OD) and personnel training and development (T&D) (Swanson and Holton III, 2001) and career development (McLagan, 1989).

Therefore, in the rapidly changing environment, organisations have increasingly adopted the management practice of formulating and implementing long-term organization strategies to *proactively* addressing the external *environmental changes* by *integrating* all functional strategies (including those of HRM) into the overall organization strategy (Sthapit, 2008). It is all how *Strategic Management* comes into real-life action (Ibid).

In the context of the managing the organization by strategically integrating HRD with it, more weight was given to the significance of the external environment by Felstead and Green (1994). They found that the forces maintaining HRD or training activity in 157 firms, the majority being SMEs, during the recession in Britain in the early 1990s were a combination of external regulations and competitive market forces.

Garavan's (1991) Irish research emphasized that the key issue is how to mobilize a critical mass of positive factors in support of the HRD function within an organization. Garavan *et al.* (1995) identified eight

contextual factors which impact on the form of the HRD function and the type of activities it engages in. These are:

- the **external environment,**
- the organization's **stakeholders (and their influence),**
- the organization's **culture**,
- the organization's **technology**,
- the organization's **structure**,
- the organization's **change**,
- the organization's **size** and
- the organisation's **power**.

These variables operate in an integrated fashion, which in turn influence the way the HRD function is perceived, how it manages and evaluates its activities and positioning within the wider organization. No one variable will have a dominating influence and the relative importance of each variable varies over time (O'Donnell and Garavan, 1997).

Hendry (1991) argued that a philosophy of continuous development (HRD) is necessary to "cement" attention to formal, structured training. He stressed that this philosophy must be shared by the organization's managers.

External environment

That the policy decisions and practices concerning the HRD are made in compliance and view of not only internal factors but of also external environment (PEST-NG) factors comes as a precursor to the organisation's Strategic Management. The general, external environment consist in PEST-NG factors, i.e., Political and Legal, Economic and labour, Socio-cultural, Technological, Natural and Global forces, which are mostly uncontrollable by the organization management, and yet critical to the organization's performance, success and outcome (Sthapit, 2009). Specifically, Siswo (2004) identified HR-logistic suppliers and HR-expertise suppliers as major external environment factors.

Stakeholders' influence

Further insight into the values and philosophies of key stakeholders of the HRD function came from the research by Garavan *et al.* (1995) in Ireland. The importance of value positions is stressed, as they all influence how stakeholders act, and determine their response to HRD initiatives in the organisation. Value positions are also related to organizational culture and/or subcultures. Such research is essential for organizations considering major change initiatives geared towards strategic management.

Fitzgerald (1995: p. 7) stressed that "implementing BPR (business process reengineering) recommendations may require a fundamental change in mind-set and this cannot be left to chance but must be carefully managed."

The finding that top managers desire to see attitudes and cultural values change is encouraging: particularly in the areas of disposition to change, teamwork and innovativeness. This is, in part, probably due to the introduction of "new employment practices" (Marchington, 1994) such as total quality management (TQM), employee involvement (EI), world-class manufacturing (WCM), and team-working in a considerable number of organizations.

It is probably also a reflection of some movement from a "control" to a "commitment" strategy in the management of human resources. Townley (1991) argued that the introduction of more systematic HR selection and appraisal systems in the evaluation of both managers and employees is a response to changes in organizational structure and work practice, which demand greater flexibility and less supervision.

According to the empirical study-finding, only six of 16 top managers feel that "training and development has a significant contribution to make to organization success;" it highlights the "moderate levels of commitment" of this key stakeholder group to HRD activities. However, many in this group see the role of HRD as a "strategic lever" in attaining organizational goals and as an important line manager function.

Hendry (1991, p. 89) noted that in 25 per cent of the Warwick University (of the UK) studies, "the belief of the chief executive in the

value of training was a prime mover in constant effort devoted to it, while in others top management endorsement and support was a major asset".

The key values of line managers are that HRD should be skills-based and centred on the current job. This reflects the often understandably narrow operational focus of line managers. Line managers see HRD as primarily their responsibility and believe they should be involved in the total process, including design and delivery. This is also encouraging, given the key role of this stakeholder group in implementing HRD/training policy. Sisson (1993) cited an increase in the involvement of this group in personnel issues in an analysis of the WIRS survey in Britain. Hendry (1991) stressed the necessity of matching accountabilities of this stakeholder group for employee development to responsibilities for resources and profit performance. Garavan (1991) acknowledged the work of Mumford (1989), Ashton (1984), Gunnigle and Flood (1990) and Zenger (1985) in stressing the criticality of the competence of this group in HRD implementation and the necessity of role clarification related to issues of involvement, ownership and control.

Garavan's (1991) research on high-technology organizations in Ireland on "responsibility for implementation of HRD plans" finds that: only 8 per cent see it as solely the line manager's responsibility; 16 per cent the HR specialist; 35 per cent jointly between the HRD specialist and the line manager and 41 per cent as solely the responsibility of the HRD specialist – clear evidence of the magnitude of the quantum leap involved in moving to strategic HRD.

HRD specialists saw their role primarily in terms of supporting the achievement of organizational goals, mainly in the service, advisory and consultancy areas. Any attempt at linking HRD policy and practice to organizational goals without investigating and taking account of the "power control thesis" is, doomed to failure (O'Donnell and Garavan, 1997). Robbins (1990, p. 271) further suggested that no more than 50 to 60 per cent of the variability in structure can be explained by strategy, size, technology, and environment.

Structure

Government and private sector managers worldwide believe that "investment in human capital is the key to the success of the country's economy" (Sthapit, 2007). However, this strategy may not be effective without the availability of a properly implemented HRD structure (Haslinda, 2009). Haslinda's empirical study in Malaysian organizations has come up with the findings that, structurally, HRD in large firms is strategically aligned with management (i.e., strategic management), whereas small and medium firms active in training and development tend to focus on output rather than structure and strategy. The study highlighted the importance of structure in the effective implementation of strategic HRD practices (Haslinda, 2009).

Power and culture

Further insights came from the research by Bowker (1994, p. 1) on the levels of "conceptual understanding and practice" of performance management in relation to the two dependent variables of HRD and organizational goals in a transnational organization. At an organizational level, the process of performance management "…involves a strategic planning framework which is capable of being devolved to ensure that the work planning, effort, and activity of each employee is focused on achieving results consistent with the strategic plan". At an individual level the process "provides a means of performance planning, monitoring, appraising and developing."

Bowker's results indicated a higher level of conceptual understanding of performance management compared with those of HRD and organizational goals. Bowker suggested that a more complementary correlation between the three variables may be dependent on organization culture and the positioning of HRD within the organization. Heraty's (1992) research on a sample base of 120 Irish training and development specialists provided further insight into the power position of HRD. Two areas are significant here:

1. 73 per cent of those expressing an opinion feel that there is a low level of integration between the HRD function and organizational goals; and

2.71 per cent state that the resources allocated to the HRD (training and development) function are not based on the strategic goals of the organization.

Heraty's research confirmed the scale of the "quantum leap" facing the HRD function and adds weight to the emphasis on attitudes, beliefs, perceptions, values and philosophy which is emerging in the attempt to link HRD and training policy and practice to organizational goals. It further strengthened Hendry's emphasis on strategic change.

A fundamental cultural change, perspective transformation or, to use Hussey's phrase, a breaking through of the "perceptual boundaries" of key stakeholders is required (O'Donnell and Garavan, 1997). Pettigrew (1990, p. 266) defined strategic change as: a complex human process in which differential perception, quests for efficiency and power, visionary leadership skills, the vicariousness of chance, and subtle processes of additively building up a momentum of support for change, and then vigorously implementing change, all play their part.

In a discussion related to corporate/organization culture, but which is directly applicable here, Pettigrew (1990) suggested that the starting point for an analysis of strategic change is the notion that formulating the content of such change must necessarily involve managing both its context and process. Action to change the strategy and culture of an organization depends not only on the ability to link the "what" of change to an organization's outer context, but "…also to link and fashion such suggestions to the internal political and context of the firm, and to manage such connections through the firm by adroit considerations about the processes of management" (Pettigrew, 1990, p. 267).

Pettigrew (1990, p. 270) cited empirical research evidence from the Warwick study of Imperial Chemicals Industries (ICI) between 1960 and 1983 in stressing the fact that making…the issue of first challenging and then changing the core beliefs of the top decision-makers a critical factor in the theory and practice of managing strategic change. Hunter and Mac Innes (1991), in recommending a more integrated approach to the relationship between business strategy and manpower recruitment and utilization, cited a lack of managerial strategic thinking as the reason for

the non-existence of this "integration" in so many organizations. They stressed that a "muddling through" attitude will not suffice in attaining organizational strategies and goals.

Gist

Successfully accomplishing organizational strategies and goals requires a critical mass of positive factors related to the effective management of human resources; particularly in developing them; i.e., HRD. The quality of managing and developing human resources is a key determinant in attaining organizational strategies and goals (O'Donnell and Garavan, 1997). It follows that the HRD function must become more strategic in focus.

Integrating the HRD policy and practices with the organization strategy essentially involves the analysis of a myriad internal and external environmental factors contingent to the organization, followed by a strategic approach to influencing key stakeholders, and the formulation of strategic HRD policies and plans in parallel with, and sometimes influencing the organization strategy. This will link to a broad range of systems covering all areas of the human resource cycle – HR planning, selection, appraisal, rewards and development – related to individual/team and organizational performance. Levels of expertise within the HRD function must rise to include knowledge of organization development, organization behaviour and broader business processes. It will not happen overnight but will require persistence, patience and a long-term perspective. Failures will occur, but these can be analysed and viewed as part of the learning curve in the move to integrating HRD into the wider organizational strategic process.

Integrating HRD with Organization Strategy: Modus Operandi

Integrating the HRD function with the organisation's strategic goals takes time, persistence, and an in-depth knowledge of the process involved. Budd (1994) and Budd and Broad (1996) proposed an HRD/Organization Alignment Model (Figure 1) to illustrate the aligning
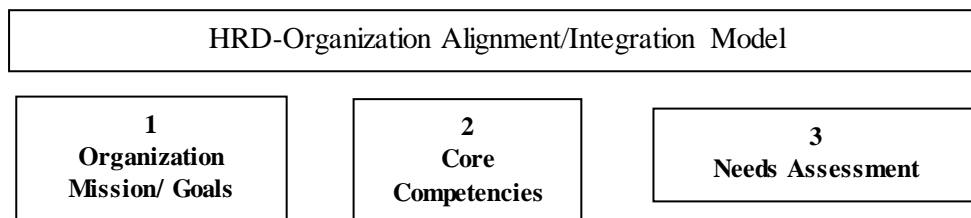
of HRD with the organization planning and management function as well as human resourced function (HR) itself. The model comprises the three levels that, in each block, represent the relationship among the organization, HR, and HRD functions.
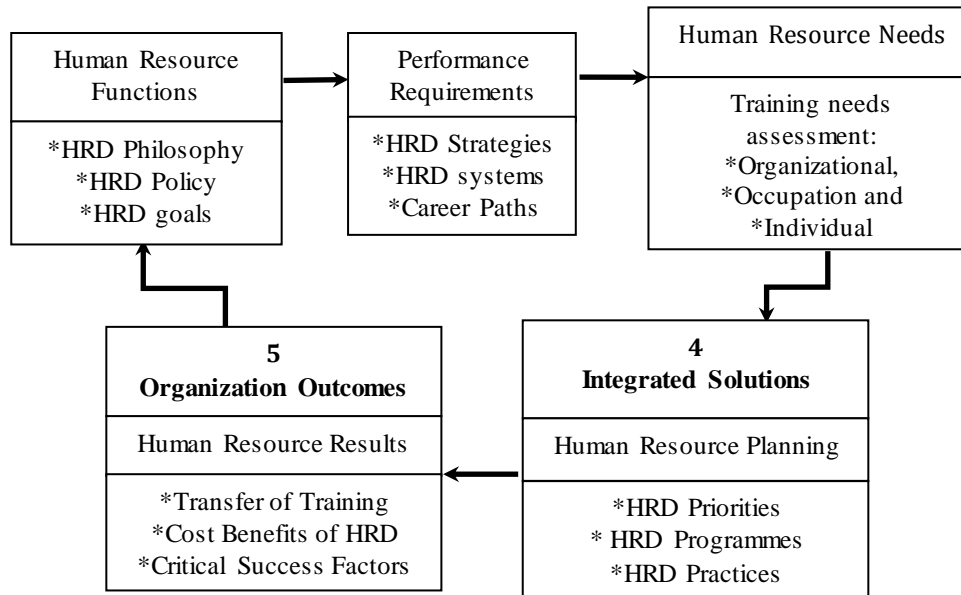
The HRD/Organization Integration Model should be based not only on a "top-down" and "bottom-up" approaches but also on goal-driven "Management by Objectives (MBO)" approach. This approach facilitates the following outcomes (Singh and Sthapit, 2008):

- Linkage of HRD to a broader HR and organizational framework.
- A framework in which to plan and manage agency HRD activities.
- Awareness of HRD as a key management tool being used at all levels and functional areas of management.
- Assessment of the HRD effectiveness within the context of Organizational Effectiveness.
- Contribution to strategic management of the organization in line with the analysis of environmental factors

Figure 1

HRD-Organization Alignment/Integration Model

1 **Organization Mission/ Goals**	**2** **Core Competencies**	**3** **Needs Assessment**

Human Resource Functions	Performance Requirements	Human Resource Needs
*HRD Philosophy *HRD Policy *HRD goals	*HRD Strategies *HRD systems *Career Paths	Training needs assessment: *Organizational, *Occupation and *Individual

5 **Organization Outcomes**	**4** **Integrated Solutions**
Human Resource Results	Human Resource Planning
*Transfer of Training *Cost Benefits of HRD *Critical Success Factors	*HRD Priorities * HRD Programmes *HRD Practices

Adapted and recast from models of Marjorie L. Budd, "Training Needs Assessment Handbook: A Guide for Conducting a Multi-Level Needs Assessment," U.S. Office of Personnel Management, HRDG Document 024 (Washington, DC, 1994); and Marjorie L. Budd and Mary L. Broad, "Training and Development for Organizational Performance," in James L. Perry, ed., *Handbook of Public Administration*, 2nd ed. (San Francisco: Jossey-Bass, 1996) <online resources on www.humtech.com>

In an ideal situation, the organization's strategies, functions, and desired outcomes drive HR policies, functions, and desired outcomes which, in turn, drive HRD policies, functions, and desired outcomes. However, in the 'real world,' this may not be the case. Many times the process works in reverse and as a result, HRD must examine its activities and results to ensure that it is aligned with activities and results at the HR and organizational levels. The model shown in the figure 1 has, therefore, been modified in figure 2 below. Prior to it, the questions at every level and step of the process given in the table 1 should be instrumental in integrating/aligning its HR and HRD functions with the organization's mission, goals and strategies.

Table 1

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Management: A Review*

1. Organization Mission/Goals/Strategies		
Organization Mission/Goals	Organizational level function	What are the **Organization's Mission/Goals** and strategic plans?
Human Resources Function	HRM level function	How are the **HR Functions** (e.g., staffing, performance management systems, etc.) designed to support the organisation's mission/ strategies?
HRD function • HRD Philosophy • HRD Policy • HRD Goals	HRD level function	How do the **HRD Philosophy, Policy, and Goals** reflect the organization's mission and goals?

| **2. Core Competencies**	
Core Competencies	What are the **Core Competencies** of the agency (knowledge, skills, and abilities that are essential to the organization's mission)?
Performance Requirements	How are the organisation's **Performance Requirements** established, based on the essential competencies of the agency?
HRD Strategies, System, Career Path	How do the **HRD Strategies, Systems**, and employee **Career Paths** strengthen and promote the agency's core competencies?

3. HR Needs Assessment	
Needs Assessment	How does the organization's **Needs Assessment** process identify the agency's broad cross-cutting performance issues and opportunities for innovation?

Human Resources Needs	When **HR Needs** are examined, how are they linked to the broader organization's assessment of performance needs?
Training Needs Assessment: *Organizational, Individual, Occupational*	How does the **Training Needs Assessment** process explore **organizational, occupational, and individual** needs? How is the information used to make decisions for allocating training resources to meet organizational priorities?

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4. Integrated Solutions	
Integrated Solutions	What are the **Integrated Solutions** (approaches requiring input from multiple sources such as improving management systems, automating work, training, and development, etc.) used by the agency to solve its performance issues and make improvements?
Human Resources Planning	How do **HR Plans** help solve the agency's performance issues and make improvements? Do the plans link the various HR functions?
HRD Priorities, Programmes, Practices	How are **HRD Priorities, Programmes, and Practices** configured to support the broader HR plans so they become part of the organization's integrated solutions?

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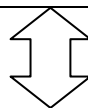
5. Organization Outcomes	
Organization Outcomes	What are the **Organization's Outcomes** that result from addressing the agency's performance issues?
Human Resources Results	How do **HR Results** (those emanating from recruiting, training, managing performance, etc.) contribute to the organisation's overall improvement?

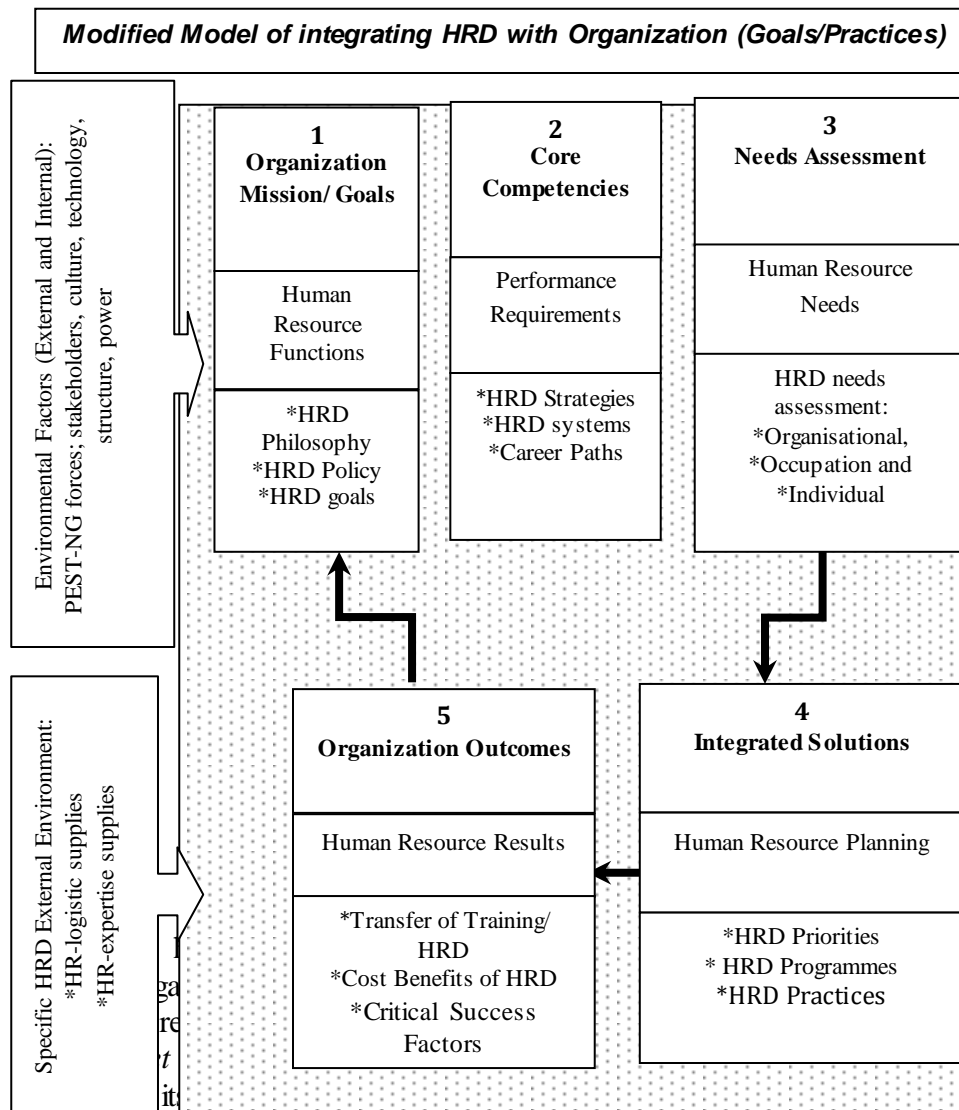| Transfer of HRD, Cost/Benefit of HRD, Critical Success Factors	How does HRD ensure **Transfer of Training** and **Cost/Benefits** of its services? How do HRD's **Critical Success Factors** reflect the genuine needs of the agency?

Budd (1994) and Budd and Broad (1996) argued that the benefits that accompany the integration of the HRD function (HRD policy and practices) with the organization's mission and strategic goals include:

- Optimum use of the HRD function as a tool to increase organizational productivity;
- A sound rationale for the organization to invest in HRD programmes and allocate resources according to priority needs;
- Visibility for how HRD supports other HR functions as well as other agency systems;
- Increased involvement of supervisors, line management, and executives in the training and development of their workforce;
- Orderly system of planning for current and future workforce needs;
- Organisation's mission-related/strategy-related standards and guidelines against which HRD activities can be evaluated;
- Increasingly responsive, results-driven, customer-driven HRD activities; and
- Containment of costs (as human resource services become inextricably interlinked to the business and organisational requirements).

Human resources, in the context of strategic HRD, are seen as a vital factor in organisational planning and survival. It lies in moving HRD from a series of fragmented activities to a situation in which training, development and other HRD activities are systematically integrated with the organisation's strategies, master plan and overall tactical objectives. By pursuing the 'modus operandi' recast in the modified model (Figure 2), integration of HRD policy and practices with organization strategy can bring about more effective HRD outputs and organizational outputs.

Figure 2

Modified Model of integrating HRD with Organization (Goals/Practices)

Environmental Factors (External and Internal): PEST-NG forces; stakeholders, culture, technology, structure, power

Specific HRD External Environment:
*HR-logistic supplies
*HR-expertise supplies

1
Organization Mission/ Goals

Human Resource Functions

*HRD Philosophy
*HRD Policy
*HRD goals

2
Core Competencies

Performance Requirements

*HRD Strategies
*HRD systems
*Career Paths

3
Needs Assessment

Human Resource Needs

HRD needs assessment:
*Organisational,
*Occupation and
*Individual

5
Organization Outcomes

Human Resource Results

*Transfer of Training/ HRD
*Cost Benefits of HRD
*Critical Success Factors

4
Integrated Solutions

Human Resource Planning

*HRD Priorities
* HRD Programmes
*HRD Practices

with each other and for making their implementation effective, there is need for redefining and expanding roles of HRD. It is indispensable that the organisation's human resources be developed at all levels and at all dimensions, like *HR training, management/executive development, career*

development and eventually *organization development* (Sthapit, 2008; Singh and Sthapit, 2008). Such efforts typically known as the 'HRD Interventions' help in discharging the stipulated HRD roles so that failures of strategy implementation can be converted into 'successes' in organization (Sthapit, 2008).

Integration of HRD policy and practices with organization strategy can bring about more effective HRD outputs and organizational outputs. Integrating the HRD policies and practices with organization strategies requires an understanding of external environment factors including logistic and expertise supply factors as well as a critical mass of positive factors in support of the HRD function, like stakeholders' influence, organisation's structure, culture, change, power, technology and size. It is indispensable as there is a strong link between the HRD and organization strategy and success (Haslinda, 2009). Furthermore, Haslinda (2009) argued that a separate HRD department is essential in effective implementation of strategic HRD practice in organizations. It helps the organization management in rendering their HRD practices more strategic in nature and enhancing overall management effectiveness.

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